

CITY OF COVINGTON CITY COUNCIL  
**ANNUAL STRATEGIC PLANNING SUMMIT**  
Saturday, 28 January 2012, 8:30 a.m. — 3:10 p.m.  
Covington Christian Fellowship Church

# SUMMARY

## OF THE MEETING'S KEY DISCUSSIONS, DECISIONS, AND AGREEMENTS

---

**Attending:** Mayor Margaret Harto, Mayor Pro Tem Jeff Wagner, Council members Mark Lanza, Marlla Mhoon, David Lucavish, Jim Scott, and Wayne Snoey; City Manager Derek Matheson; Management Team members Glenn Akramoff, Noreen Beaufriere, Richard Hart, Rob Hendrickson, Kevin Klason, Sharon Scott, Karla Slate, and Scott Thomas; facilitator Jim Reid.

---

### KEY AGREEMENTS OF THE SUMMIT

The key agreements of the City Council at the 2012 Summit were:

1. **Vision, Mission, and Goals:** The vision, mission, and Council goals are “more accurate than ever.”
2. **Finances and Budget:** a) The City could borrow from the Surface Water Management (SWM) utility fund to help alleviate the short-term budget deficit; b) The City should impose a 6% utility tax on the SWM fund to transfer to the General Fund \$100,000 of the funding received from the Bonneville Power Administration (BPA); c) Maintenance and other things that could be delayed without causing a decline in customer service or infrastructure should be delayed to help reduce costs; d) Public safety would be the last thing to cut if spending reductions become necessary; e) Human services and other programs in which other providers, such as the private sector or non-profits, could provide service should be higher priorities for cutting if spending reductions become necessary; f) Covington citizens should have a strong voice in advising City officials on how to balance the budget, both through the Budget Priorities Advisory Committee (BPAC) and, possibly, a vote of the citizenry.
3. **Town Center:** To achieve the Council’s vision for downtown, transportation and public space infrastructure projects in the Town Center and Wax Road MHO zones should rank higher in the CIP and TIP than they currently do.
4. **Northern Gateway:** The Northern Gateway is a crucial component of the vision and strategies for expanding economic opportunities in Covington. Therefore, the City should work with landowners, developers, citizens, and King County to bring the entire area into the City’s boundaries and to develop the properties within the Northern Gateway for commercial development. The Council envisions the future commercial development of this area as being distinctly different from the development of the Town Center so that they complement each other rather than compete.

## **THE MOST BENEFICIAL ACHIEVEMENTS OF 2011**

At the beginning of this annual strategic planning summit, the Council cited the accomplishments of 2011 that are most likely to have the greatest long-term benefits for Covington. These accomplishments reflect a culture of trust, respect, collaboration, citizen involvement, and striving to do what is right for the community. The most beneficial accomplishments of the last year were:

1. The City's financial stability during this tough time. "We've weathered well the downturn in the economy."
2. The Council rallied on behalf of getting the hospital to locate here. "We come together to do things well, especially when it is something important to the City's future."
3. The Council's support for Covington Community Park. "This will be our legacy to future generations."
4. Council's leadership on a variety of regional issues, including animal control, courts, and the ILA with Maple Valley on public works.
5. Council provided inspirational leadership and stability.
6. The City's partnerships with the business community resulted in such initiatives as Destination Covington "demonstrates that we look to the future."
7. The quality of the members of the City's commissions, including the quality of applicants for vacancies.
8. The City's #1 ranking in retail sales growth. This, and the addition of some new businesses into Covington, indicate the City is becoming a retail hub. In the future we need to work strategically to become a medical services hub to attract daytime commercial activity.
9. The City maintained its commitment to social programs in a time of need.
10. Despite the economy and the need to do more with less, staff maintained high standards of customer service. One example: the permit counter.
11. The City's presence on Facebook is helping to dispel rumors faster and get vital information out into the public faster.
12. Cooperation between Covington, Maple Valley, and Black Diamond has markedly increased the profile of transportation issues and challenges at the regional and state levels.
13. Creation of the BPAC, which will begin its work in February 2012.
14. City streets and other public spaces are clean. Snow removal and cleanup in January was efficient.
15. Community policing—Kevin's leadership and the civility and effectiveness of our police officers are helping maintain the important relationship between the police and public.
16. While the City had to raise rates for using the pool, it is still crowded and a community asset.
17. There is not as much graffiti around town.
18. City "fostering" the Timberlane Homeowners' Association.
19. The City's relations with our State legislators.
20. Because of our efforts, the Puget Sound Regional Council (PSRC) included Highway 516 on its list of high priority road projects.
21. We played a significant role in implementing the Regional Fire Authority.
22. The King County Sheriff's district or local office moved into our building, giving public safety greater presence in Covington.
23. The resolution of code enforcement issues.
24. Implementation of the panhandling ordinance.
25. Our meeting with the representatives of the utilities.
26. Staff has become even more productive as a result in upgrades to technologies, such as the improvements of the telephone system.
27. "We have a great finance department that has had no audits and provides those of us on the Council with timely and accurate information."
28. "In an economic climate like this, some cities 'hunker down.' Not us. We continue to thrive and think 'out of the box.'"

## January 28, 2012 Annual Strategic Planning Summit Summary

Approved: February 28, 2012

After the Council finished identifying the most important accomplishments of this past year, the management team members added these:

29. Covington has earned a reputation for being a good place in which to do business. The change in the leadership of the Community Development Department is contributing to this perception.
30. Council members demonstrate trust in each other and in staff, which is important to the staff and to the community. Even when having difficult conversation, Council members remain respectful of and civil toward one another. In addition, the City deeply involves the public in decision-making.
31. The City continues to excel at securing funding from many sources, particularly grants.
32. The benefits plan for employees illustrates that the City is treating its employees well and appreciates their efforts. This is contributing to a continuity of service as employees enjoy working here.
33. "I am working for the best City Council and best City Manager in my 36-year career. If not for all of you, I would have retired. You are civil and have the long-term interests of the City at heart."
34. Because of the trust among Council members and between the Council and staff, the City is able to capitalize on new opportunities, such as negotiating the new jail contract with King County. "The calculated risks we have taken have paid dividends by containing costs and allowing us to be more efficient."

After citing the accomplishments of 2011, the Council mentioned things that need to be accomplished to help achieve the vision, mission, and goals. These items are:

- Lay the groundwork for keeping young people in our community or having them return to their hometown after they graduate from college by: a) building a community center that is particularly focused on the needs and interests of kids and youth; b) attracting movie theatres and a bowling alley that gives young people a place to congregate; c) designating an "entertainment zone" served by shuttle busses; and d) expanding the system of trails and bike paths so that kids can travel from their homes to Town Center and parks without relying on their parents to drive them.
- The ideas immediately above would also appeal to young families and seniors.
- In addition, seniors and the elderly could remain in Covington with the addition to the community of assisted living facilities and skilled nursing services. (If we act on becoming a hub for the medical community, this may become more feasible.)
- Hotels and motels in the community could also help us gain a Convention Center or central meeting space for community events.
- Affordable housing that is within walking distance of key services and amenities.
- Improve the network of sidewalks and the condition of streets.
- Reopen Jenkins Creek Park by replacing the bridge that was washed out in December 2010.
- Address traffic volumes on the Kent-Kangley Road. (The congestion is a sign people are coming into Covington to shop, which is a City goal.)

Finally, the Council discussed what citizens are saying about the City and community.

- The public seems more aware and supportive of what the City is doing, and is seeking even more involvement in decision-making and public affairs.
- Residents seem protective of the City. If it is criticized, they rise to its defense.
- The sense of pride appears to be growing. Young people in particular seem to be finding Covington a good place to live. They've nicknamed it "Covtown."
- Despite the fact that 49% of home sales in South King County were foreclosures last year, there is a sense that the real estate market is turning around and people are feeling more optimistic.
- Council members are getting more phone calls from constituents. The calls aren't to complain, but to inquire about City initiatives and issues facing the community.

## **COUNCIL REAFFIRMS VISION, MISSION, AND GOALS**

As a result of a brief review of the City's vision and mission statements and goals, the Council agreed that they are more accurate and relevant than ever.

Some additional comments, perspectives, and suggestions included:

- "If we are patient and keep our focus, we will achieve our vision and goals."
- Citizens like the small town feel of the community even as it grows. Downtown's development can be instrumental in helping preserve that feeling.
- The Covington Economic Development Council (CEDC) is moving forward with plans to "brand" the City as a strategy for attracting economic growth to the community.
- *Change one of the pictures on the page on which the vision, mission, and goals are printed because it shows a utility pole at Covington Place, and that pole no longer exists.*

## **COUNCIL IDENTIFIES PRINCIPLES AND STRATEGIES TO ADDRESS POTENTIAL BUDGET DEFICITS**

The primary purpose of discussing the City's financial outlook for the next 3-5 years was for the Council to provide the management team with guidance and direction, particularly in the event of the "worst case scenario" in which the economy does not improve or improves more slowly than expected and the City faces budget deficits.

While the recent forecast was better than the one in October 2011, the management team is anticipating a General Fund problem by 2014. The team also warned the Council that the City Manager's proposed budget for 2013 might include a reduction of as much as \$500,000.

The size of any future deficits would be affected by international and national factors, such as the extent of the US economic recovery. It will also be influenced by state and local conditions, including: a) potential court challenges to the recently passed initiative privatizing liquor sales; b) the Governor's proposal to take away from local government a portion of the receipts from the liquor excise tax and liquor profits; c) State mandates that could impose new responsibilities or requirements on local government; and d) other initiatives that voters might approve that may affect the ability of government to raise revenues or that could restrict the choices or actions of government.

The Council recognizes there are short-term and long-term fiscal and budgetary issues to address. Regarding the long-term issues and challenges, Council agreed on these principles:

1. Don't wait to take action until the City must react to a bad situation. Act now to lay the groundwork for addressing long-term fiscal and budgetary issues and challenges. By being proactive, the City may reduce or even eliminate potential future challenges and threats.
2. Engage the citizens in deciding whether to raise revenues, cut services and programs, or do a combination of both.

Regarding the immediate, short-term threat of budget deficits, the Council agreed on two principles:

1. Keep the long-term future in mind as we act to address short-term issues, problems, and challenges.
2. The short-term actions the City takes should be considered "stop gap" measures. Therefore, do not do permanent damage to programs and services; i.e., don't "blow up" entire programs or services.

## January 28, 2012 Annual Strategic Planning Summit Summary

Approved: February 28, 2012

In the interest of addressing the long-term, systemic issues, the Council established the Budget Priorities Advisory Committee (BPAC) and is in the process of appointing its members. The Committee's recommendations are due to be submitted to the Council by year's end. At this meeting Council members reiterated their intent to allow the BPAC to do its job and to bring to the City its findings and recommendations.

To address the short-term gap between revenues and expenditures, the Council agreed on these strategies:

1. Borrow from the Surface Water Management (SWM) utility fund.
2. Impose a 6% utility tax on the SWM fund to transfer to the General Fund \$100,000 of the funding received from the Bonneville Power Administration (BPA).
3. Delay maintenance and other things that could be delayed without causing a decline in customer service or infrastructure, such as lawn mowing, street cleanup, and, possibly, graffiti removal.
4. In the case of roads, maintain what we have before building new ones. Use the next 3-5 years to "shore up" what we already have.
5. Reduce or eliminate projects that require "one-time only" funding.

While the Council is interested in ensuring the BPAC has the opportunity to fulfill its mission, there is a strong interest on the part of Council members for one long-term solution: a Transportation Benefit District (TBD). Once the TBD is established, the City could: a) Impose an annual vehicle fee up to \$20. This fee would be collected at the time of vehicle license renewal (the annual process of updating the license plate tab on a car). The fee would not require voter approval; or b) Collect up to 0.2% of sales tax revenue within the district. This option would require voter approval.

### **COUNCIL AGREES THAT FINANCIAL STABILITY AND HIGH QUALITY SERVICE HINGE ON TOWN CENTER AND THE NORTHERN GATEWAY**

In the final major discussion of the summit, the Council focused on Town Center and the Northern Gateway as sources for expanding and strengthening economic opportunity within Covington, and, as a result, stabilizing the City's finances and the programs and services it offers.

In recent years the Council has taken major steps to transform downtown into a vibrant, people-filled place. At this summit the Council agreed to advance that vision even further by making transportation and public space infrastructure projects within the Town Center and Wax Road MHO zones a higher priority on the City's CIP and TIP. Thus, the Council authorized the management team to modify the CIP and TIP by ranking projects within the downtown higher on those two lists of projects.

This means that the City will continue to prioritize the completion of improvements on Highway 516 up the hill to 192<sup>nd</sup>. But new projects on 516 beyond 192<sup>nd</sup> are no longer as high a priority as the transportation and public space projects within downtown.

The Council also agreed with the staff recommendation that downtown be considered as a location for community events and activities that would otherwise occur elsewhere. This strategy is intended to create a sense of inevitability about a civic plaza, public gathering spaces, and pedestrian facilities. Council members also requested that the City conduct a process that will engage citizens in envisioning the appearance of public spaces within downtown and determining what amenities and services would be included in those public spaces.

## January 28, 2012 Annual Strategic Planning Summit Summary

Approved: February 28, 2012

As part of this process, a suggestion was made to have former Kent Mayor Jim White talk to the Council about Kent's experience building Kent Station and the lessons learned about the impact that facility has had on downtown Kent.

Another suggestion was that the City of Covington should consider purchasing a couple parcels of land within downtown and work with developers to transform them into public gathering spaces. These would serve as models for what the City and citizens have in mind for the future development of public places in downtown.

Next the Council turned its attention to the Northern Gateway. As a result of the presentation by Richard Hart and their subsequent discussion, Council members reached consensus that the Community Development Department should proceed to implement the 2012-'13 work plan Richard recommended. It is the Council's vision and intent that the Northern Gateway is developed in part with "big box" stores that attract shoppers from across southeast King County. (This vision differs from the Council's vision of Town Center as more pedestrian-oriented with smaller scale shopping opportunities and more of a civic center environment where residents congregate and community events are held.) The Council anticipates that if the work plan is implemented this year and next, development proposals could be submitted to the City two-and-a-half to three years from now, and that within five years the City could begin to reap the benefits of commercial development in the area.

In their discussion with Richard, Derek, and the other members of the management team, the Council recognized that the Gateway is divided into two separate areas, one on either side of Highway 18. While supporting Richard's proposal that the City begin now to move forward on the entire area, at some point the City may need to act separately on the properties, particularly if there are problems putting the one area into the Urban Growth Area (UGA) and annexing it.

To advance the Council's vision for the Northern Gateway and begin to implement the 2012-'13 work plan, Covington will work closely with landowners, potential developers, citizens, and King County.

### **COUNCIL AGREES ON ONE CHANGE TO ITS RULES**

The Council agreed to make a change that will affect public hearings. In cases where the Council intends to take action on the same evening as the public hearing on a given issue, the Council agreed that it will act immediately after the closing of the public hearing. Thus, citizen testimony will be followed right away by Council action on the issue or motion upon which citizens commented.

In the past Council action has come as a separate agenda item. This meant that citizens who had testified and were interested in what the Council would decide were forced to remain at the Council meeting to listen to discussions that they may not have been concerned about or interested in.

### **OTHER ISSUES ON THE HORIZON**

By tradition the Council ends its annual summit meetings by identifying issues it anticipates are "on the horizon" and will face the City later that year or in future years. This year the Council mentioned two: 1) What might be "Plan B" if the School District vacates an elementary school in the middle of a neighborhood? What might the City do in that case? 2) Might the City need to provide support to the Timberlane Home Owners' Association to upgrade its community center? Would that support take the form of CDBG funding or something else?