

Mayor Margaret Harto

It is amazing how fast time goes by! The economic climate has advanced a bit this past year, but the state of our city has advanced significantly!

- We managed to secure an impressive amount of funding to move forward with or complete several projects.
- We created a Transportation Benefit District to seek funds for transportation improvement projects.
- And, we introduced the first phase of Covington Community Park to the public, just to name a few.

Several years ago, your City Council developed a mission and set of goals that emanated our vision for Covington: Unmatched Quality of Life.

- That mission statement is: Covington is a destination community where citizens, businesses and civic leaders collaborate to preserve and foster a strong sense of unity.

This mission and our accompanying six goals are the foundation to guide us in making the best possible decisions for our residents. When looking at our vision statement, the statement of what we really want Covington to be, I feel like we are definitely on track to becoming that city.

And now, I would like to introduce you to our City Manager Derek Matheson.

City Manager Derek Matheson

Like Mayor Harto mentioned, the City Council's vision, mission and goals serve as guiding principles for the city. As we continue to evolve and progress, we can always look to the council goals to confirm that we are on the right path to achieve our vision.

As we review our accomplishments and ongoing projects in each of these goal areas, you will see how we continue to turn obstacles into assets, make fiscally responsible decisions, cultivate partnerships, and find creative ways to provide the services that our residents want.

Economic Development/Town Center

This year, Covington was named the number one city in the state for retail sales growth. We've held that title for seven straight years now! While we are still feeling the overhang of the recession, we are taking advantage of the opportunities to facilitate growth in our community.

We continue to make strides toward bringing the Town Center to fruition. It's definitely a journey of 1,000 miles, but we're taking the first steps.

- ROFO Covington Elementary
 - We have negotiated a right of first offer with the Kent School District on the Covington Elementary property. If and when the district decides to vacate it and sell the land, the city would be able to make the first offer.

- This is a key piece of land in our Town Center development plan and a huge step forward to making the Town Center a reality.
- Town Center RFQ
 - We have also taken a unique approach to Town Center development partnerships. We issued a Request for Qualifications to seek a private sector partner for joint exploration of Town Center development opportunities and possibly exercise our ROFO on the city's behalf.
 - The RFQ deadline is September 20 and we have one solid submittal already.
- Infrastructure Study RFP
 - We were also lucky to receive a legislative grant to conduct a Town Center Economic Impact and Infrastructure Study. For this, we issued a Request for Proposals to seek a firm that can conduct the study.
 - The results of this study will help us seek grants and participate in state-financing programs necessary to build the Town Center infrastructure and be a good public partner in a public-private partnership.
- 4-year University Partnership
 - The city began partnering with Green River Community College to bring classes to Covington and explore a higher education presence within Covington. GRCC began offering continued education classes in the community room at city hall in fall 2012. Our goal is to grow that to credit courses and a physical presence in our Town Center.

- We also developed a new goal to bring a 4-year university to Covington. Staff and council recently toured the University Center of North Puget Sound in Everett, a unique concept that brings multiple universities together in one location for a combination of in person and distance learning. We are also meeting with the state's six public colleges to explore opportunities which would be an excellent addition to the Town Center.
- We plan to ask the legislature for an assessment of higher education needs in our area during the 2014 session.

Beyond the Town Center, we've seen forward progress in the Northern Gateway, too.

- Subarea Plan/EIS Hawk Property
 - As a continuation of the Northern Gateway Study we've made substantial progress on developing a subarea plan and draft planned action environmental impact statement (EIS) for the Hawk Property – the 200 acres of land just southeast of Highway 18 in the northern part of the city.
 - The development of the Hawk Property Subarea Plan involves preparation of a proposed land use plan for a mixed use urban village concept, planning policies, zoning districts, and development regulations, as well as public participation and outreach opportunities. The City is preparing an EIS to evaluate how implementation of the subarea plan might impact environmental and infrastructure resources in the area, as well as how those impacts might be mitigated.

- CEDC Business Breakfast
 - The Covington Chamber of Commerce and the Covington Economic Development Council jointly held a business breakfast last October to bring together Covington business representatives as a networking and educational opportunity. The featured speaker presented on effective communication in business. They'll be holding another breakfast this October.

- Branding
 - CEDC jumpstarted a branding process in fall 2012 and has been making progress toward creating a unified city brand for economic development marketing. The process has included focus group research, surveys, and brainstorming sessions.
 - The process is currently in the design phase, developing concepts for a new logo and graphic elements to accompany the brand.

Youth & Families

With a majority of Covington's residents consisting of youth and families, we strive to provide educational and recreation opportunities to the community.

- Covington Days
 - Earlier this year, the city assumed management of the annual Covington Days Festival. Our main goal for the transition was to reenergize the festival, bring it back to Covington's "downtown", and put a focus on free family fun.

- The mere four months of hard work and planning by staff resulted in nearly doubling the number of vendors participating, increasing attendance to the parade and the festival, and bringing in around \$10,000 in sponsorship dollars, in addition to several thousand dollars worth of in-kind donations from throughout the community.
- Planning for the 2014 Covington Days Festival is already underway!
- Recreation Events
 - Our Parks and Recreation Department did an amazing job of planning and executing several events and activities for the community this past year.
 - The second annual Summer Concert Series more than doubled in attendance! The concert location moved to the field at Real Life Church, which allowed the series much more visibility and saved the city thousands of dollars in stage and electricity costs that were provided by Real Life.
 - Covington KidFest is continuing to grow each year. Held in the Kohl's parking lot, this summer's event featured even more activities and booths than ever before. Local organizations and businesses enjoy participating in the event because, although the booth spaces are free, they must provide an activity for kids which allow them to engage with families. Families are even traveling from other cities to enjoy Covington KidsFest.

- Recreation Classes
 - The Parks and Recreation Department also introduced the city's first-ever recreation classes to the community this past winter. These classes range from gymnastics to dance to learning how to babysit.

- Tree Lighting and Replacement
 - On December 1, 2012, the city's community tree was vandalized and fatally damaged by an attempt to cut it down on the morning of our annual Tree Lighting event. The city was determined to proceed with the tree lighting and not let the vandal win. The maintenance team worked to secure the tree with wiring to prevent it from falling while other staff continued with preparing for the tree lighting event.

 - The tree lighting was filmed and aired on all of the major television stations reporting about the vandalism and bringing awareness to the Covington community spirit. The publicity and word of mouth also kick-started a donation campaign to raise money to replace the tree. Donations from \$1 to \$2,000 were received, totaling over \$7,000 toward the cost, plus several thousand dollars of in-kind donations like equipment and time.

 - Immediately following the tree lighting, the damaged tree had to be cut down by maintenance staff for safety reasons. Within a few short days, a new tree was located, transported, and planted in its place. We held a ceremonious re-lighting event to welcome the new tree.

- Aquatic Marketing/Events
 - The Covington Aquatics Center has been working hard to fine tune its programming, special events, and marketing strategies. In addition to its swim lessons, public swims and trainings, they hold eight special events each year including the Spooky Swim, Sweetheart Swim, and Summer Splashtacular.
 - Attendance at these special events has continued to increase – some even selling out. With the current rate of attendance, the Aquatic Center will see around a 25 percent increase in attendance in 2013 over 2011. Just imagine 20,000 more customers walking through the doors of your business!

- Aquatic Renovations
 - Thanks to a legislative grant, the Covington Aquatic Center is receiving a much needed face lift. The \$400,000 project includes a new plaza, updated locker rooms, a new rental room addition, and more. Renovations are scheduled to be complete by the end of the year.

Neighborhoods

While we strive to provide educational and recreation services to our youth and families, we also want to ensure they enjoy living in Covington and they feel safe in their neighborhoods.

- CCP Grand Opening
 - Phase 1 of Covington Community Park debuted this past June, featuring the full-size grass soccer field, paved trails, a parking lot and restrooms.
 - As many of you know, this park has been a long time in the making. It is finally coming to fruition thanks to the hard work of our staff and our state legislators who have played an integral part in securing funding. In fact, we just received a legislative grant to begin work on Phase 2!
 - I'm also happy to report that the soccer field is now open for use and is already being utilized by local soccer teams.
- TIB Grant for Overlay and Crack Seal Project
 - We secured a \$400,000 grant from the TIB (Transportation Improvement Board) to overlay 240th from 180th-196th and a piece of Wax Road from 192nd-196th as well. Our crew has done the prep work necessary and will be proceeding with the overlay in conjunction with King County's overlay program schedule.
- Aquavista Project
 - We also completed work in the Aquavista neighborhood at Pipe Lake. With assistance of a Department of Ecology grant, we were able to rectify a road drainage problem affecting several homes by installing catch basins and street edges to channel the water. We were also able to incorporate treatment mechanisms before the water discharges into Pipe Lake.

- Storm Pond Rehabilitation
 - We began a pilot project for rehabilitating 11 storm ponds around the city. The first two ponds are located in Timber Hills Division 2 neighborhood and Channing Park.

- Jenkins Creek Park Grant Application
 - The Jenkins Creek Park project is another in which we are seeking grant funds. The project includes replacing the washed out bridge over the creek and extending the trails. We've asked for \$200-\$300,000 and are hopeful as we have made it to the final selection stage.

- National Night Out
 - Every August, we participate in National Night Out. Seven Covington neighborhoods held events this year which are really like block parties. Our city council members, city staff, police officers and firefighters use this opportunity to visit participating neighborhoods to meet and engage with residents.

- HOA/Citizen Forums
 - We continue to hold semi-annual HOA Citizen Forums. The forums are an avenue for city staff to address hot topics with HOA leadership and citizens. But what we like most about them is the candid conversations we get to have with our residents about their concerns. Our April forum focused on public safety and included information about police, code enforcement, and pedestrian safety. Our next forum is scheduled for October.

Municipal Services

Balancing the needs of our residents with economic reality certainly is a tough job. It takes creativity and extra effort to discover the opportunities hiding within the challenges we face and we've been very successful at doing that this year.

- Legislative Funding Success
 - We have been very fortunate to be the recipient of multiple grants and legislative appropriations. It has enabled us to execute projects that we may not have been able to do, like intersection improvements and overlays. We have staff and our legislators to thank for the time and effort put into securing these funds.
- BPAC Report/Sales Tax Ballot Measure
 - If you recall, the Covington City Council appointed a Budget Priorities Advisory Committee in early 2012 to study the city's mix of taxes and services. The committee's initial impression was the city should cut waste, but the final report said that the city was already lean and mean with no cuts to make.
 - The committee's core recommendation was to form a transportation benefit district as soon as possible and ask voters to approve a 0.2% sales tax increase to fund the TBD.
 - The sales tax increase proposal will appear on the November ballot and, if passed, would allow the city to pay for unmet transportation needs including street overlays and pavement repair. It would generate

around \$700,000 of revenue and allow the annual \$250,000 subsidy to the street fund to be returned to the general fund

- State law limits how much I can actually say about the ballot measure now that its election season, but there is much more information on our website at covingtonwa.gov/TBD.
- PrePAC
 - The Parks and Recreation Department has decided to take the BPAC concept and appoint a PrePAC, or Parks and Recreation Priorities Advisory Committee, as they move toward updating their Parks, Recreation and Open Space Plan.
 - The committee will look at how to fund parks, recreation and facilities in the future, including possible ballot measures.
- SR516 Design
 - The next phase of the SR516 project, from Jenkins Creek to 196th, is currently at 60 percent design. About \$2 million in legislative appropriations are enabling us to complete the design of this segment and conduct right of way purchases. More funding will be needed to construct the project but we are optimistic that it will keep moving forward.
- 10 Intersection Improvement Designs
 - WSDOT issued a \$250,000 grant to improve 10 intersections throughout the city. These improvements are currently being designed

and focus on improving intersection safety and reducing the number of accidents.

- Comprehensive Plan Update 2014
 - Every seven years state law requires cities to update their Comprehensive Plan and our next update will be in 2014. Fortunately, we've added chapters and updates over time so the task won't be as daunting as in other cities. But, it is still an expensive and time consuming project.
- Forestry Plan Adopted
 - The Washington State Department of Natural Resources, Urban and Community Forestry Program awarded the city a \$10,000 grant to create a forestry plan. Adopted by City Council in April, the plan has set procedures in place to manage the city's public trees.
- Police Volunteer Program
 - We also initiated a police volunteer program. With 12 members, our police volunteers are trained to conduct house checks, park patrols and provide traffic support during events.
- Solid Waste Contract
 - Our first-ever solid waste contract went into effect July 1. Republic Services is now the official waste management provider in Covington. This new contract has facilitated a better mix of services, some rate reductions for customers, and increased services for the city.

- Award for Intergovernmental Partnership w/ Maple Valley and Black Diamond
 - The Washington City/County Management Association recently presented Covington with a joint award for intergovernmental partnership with the cities of Maple Valley and Black Diamond.
 - Six years ago, Covington's mayor brainstormed the concept of an annual Tri-City Meeting, bringing together the three cities to discuss mutual issues like transportation, transit, parks and trails, and other services.
 - The unique partnership that resulted has led to cost savings for the cities. Currently, Covington provides building official and code enforcement services to Black Diamond. Maple Valley and Covington share equipment needed to mow parks and ponds during the summer. And, all three cities are participating in a joint asphalt crack seal and street repair project.
- Franchise Fee Audit and Revenue
 - We hired an auditor to conduct a franchise fee audit on Comcast as their franchise agreement was coming up for renewal. In this process, it was discovered that around \$30,000 was due to the city that it had not received. This also includes a \$15,000 increase in revenue annually going forward.
- CAFR Award and No Finding
 - I'm thrilled to report that, once again, the state auditor's office presented no findings upon completion of the city's annual audit.

- Our finance department was honored with an award for the city's Comprehensive Annual Financial Report, an award they also continue to receive year after year.

Customer Service

According to our Citizen Survey, an overwhelming percentage of citizens (74%) give the city A's and B's when grading our customer service. But, we are always looking for ways to improve that and become more efficient.

- Citizen Survey
 - As part of our commitment to understanding the needs of our citizens, we conducted a citizen survey this spring. The survey tells us what our citizens' expectations are and how we are doing at meeting those expectations. Our last survey was completed in 2009, which gave us a good baseline to compare results and identify areas for improvement.
 - Our past surveys were conducted by phone interview, in which registered Covington voters were called and asked to complete the survey. City Council wanted to seek a wider representation of residents and through a grant, this time we were also able to mail surveys to registered voters who did not have a phone number on record. A total of 448 residents completed the survey. This translates to a 95% confidence interval and a 4.5% margin of error, meaning if all of the households in Covington had been interviewed, there is a 95% chance that the results would be within that same margin of error.

- Overall results of the survey reveal that residents are satisfied with the level of services we offer, feel like we manage taxpayer dollars well, and feel that Covington is a good and safe place to raise a family.
- Internal Efficiencies
 - Our public works department implemented a new asset management software called Novotx. Staff can now input and track information while out in the field and track the progress electronically. Prior to this, they used paper forms and staff had to manage the information in a spreadsheet.
 - We also upgraded our plotter printer. We use this to print and scan plans and can now produce banners for less than a quarter of the cost. And, we've made a number of other technology upgrades to improve efficiencies.
- KCSO Storefront
 - The King County Sheriff's Office moved its Southeast King County base of operations to Covington City Hall in 2011 which generated lease revenue and a greater police presence in the city.
 - The new sheriff has decided to maintain a storefront here but move the patrol function back to Maple Valley. While we'd like to keep all functions here, it seems like a fair balance between Covington and Maple Valley.

Conclusion

It's easy for anyone to profess a vision, mission and goals. But, what sets us apart is our dedication to accomplish them. We experience roadblocks often, so we approach everything with our thinking caps on. We strive to look at every possibility and scenario – the obvious ones, the unpopular ones, and the creative ones.

Our vision is to achieve an unmatched quality of life. But we are already fortunate to have an unmatched quality of individuals working together towards that vision. Members of our city council, commissions, staff, chamber of commerce, business community, community organizations, and residents, too, all help provide the right ingredients to keep our momentum going.