

January 8, 2019

Good evening and Happy New Year to all Stakeholders of DuPont; homeowners, residents, employees and businesses,

First, let me characterize the State of Our City as strong and vibrant. 2018 was a dynamic year with growth and progress in many areas. As I have done in the past, I will frame my comments tonight in the context of our published Vision, Mission, Goals and Objectives, and Core Values.

Before I get into my main comments for tonight, I'd like to share with you an observation I have from serving as Mayor. I spent four years on City Council and the last three as your Mayor. What I have observed in that seven-year period is that a City is a very complex organization. A good City has an identity that most people understand and embrace. It balances priorities and provides a vision for its future. I marvel every day at the dedicated people who are essential to the healthy and productive functioning of a city. There are almost 70 full time employees, seven Council members a handful of appointed positions and dozens of volunteers who bring energy, talent, innovation and commitment to their tasks everyday. There are countless actions happening each day most of us are unaware of because they happen professionally and without fanfare. Our City operates much like the proverbial duck on the pond, appearing smooth as it glides across the water, all the while it paddles furiously beneath the surface. Without all of these people, and their furious paddling, our City would fail in some important area. With them, we have a great, high functioning City. Although I am pleased with how our City operates routinely, I am not satisfied and will continue working with Council, Staff and you to look for ways to improve our capabilities and delivery of services to all stakeholders. With that in mind here is where we have been in the past year and how I see our City moving forward. With Public Safety our City's priority mission, I start there.

Providing Advanced Life Support for DuPont remains a goal beyond our immediate reach. Today we remain the only City in Pierce County, with a population over 1000 that does not have a reliable ALS capability. This remains a long-term priority for us that we continue to work towards with the intent of bringing this to you, the voter, for decision in the fall of 2020. Through incremental staff growth and continued increase in the assessed value of the City, any future levy request will be reduced from previous requests. By upgrading equipment with one time funds and increasing staff that will support a full ALS capable department, while still meeting today's needs, we drive the cost of adding the required six firefighter/paramedics at one time, to a smaller future ask. In the meantime, we continue to modernize the department. Our new Chief, Mike Keohi, has laid out a strategic plan to upgrade the department's apparatus through 2019. As you will recall, in 2017, we upgraded our ambulance to one that will support a future ALS capability while retaining the previous ambulance as a BLS backup. Prior to that, we added a brush hog for wildland firefighting adding this capability to the department. In 2018, we acquired an all-terrain vehicle, configured to provide a capability to respond to fire and medical emergencies on our trail system. In March, we will receive two, new fire trucks configured specifically for our current and future needs, allowing us to retire three aging and expensive apparatus. 2018 saw DFD add an Assistant Chief and in 2019, we are working towards adding an additional firefighter/EMT. 2019 will be a year focused on increased training and capability within our department. Our increased capabilities have allowed us to engage both JBLM and West Pierce in meaningful mutual aid agreements. These agreements were essential to allowing us to divest the department of an aging and oft broken ladder truck. DFD is well led and continues to provide excellent service to DuPont, while focusing on the goal of being a full-service department with a certified ALS capability. The department and all who serve in it remain a source of great pride for all of us in DuPont.

For the DuPont Police Department 2018 was a year of many changes. Police Chief Larry Holt retired from law enforcement and the department was capably led for most of the year by Deputy Chief Ted Jackson while we conducted

a patient and broad search for a new Chief. I want to thank Chief Jackson for his steady and thoughtful leadership during this period of transition. Tonight we officially welcomed our new Chief of Police, Doug Newman, when I swore him in before my comments. We experienced high personnel turnover during 2018, primarily for the blessing and curse of being DuPont. As a smaller City, DuPont cannot compete with the larger cities in our region in several areas, pay and benefits or crime. The young officer looking for more excitement and the pay to match is often tempted to move elsewhere as we saw with several transfers in 2018. This is a natural and understandable situation we are happy to live with as DuPont continues to be rated one of the safest cities in Washington State. Time and growth will allow us to better compete with the larger departments for pay and benefits. Chief Newman is already proposing changes to make our department more attractive to transfers and recruits. I am grateful our Police Union leadership continues to work with the City and understands our fiscal realities. Beyond our regular staffing, DPD was busy with numerous initiatives in 2018; they conducted active shooter training, trained a new Community Resource Officer, and deployed a standardized first aid capability with each patrol vehicle, hosted FBI LEEDA leadership training for our region, implemented a parking enforcement program, hosted a citizen's academy and brought on two new reserve officers. All this was while meeting the day-to-day law-enforcement needs of the City. In 2019 DPD will finish filling all authorized positions, begin the effort to complete recertification in 2020, add two additional surveillance cameras and re-establish our K9 program. 2019 will also see DPD develop a long-range strategic plan mapping a path towards a department capable of meeting the future needs of DuPont. I appreciate and am thankful for the unwavering and professional support our Police Department provides all of us who live and work in DuPont.

2018 was another busy year for our Public Works Department, led by Gus Lim and our able PW crew, as the maintenance and improvement of DuPont continued unabated. Time does not permit me to address everything that PW does for our City, but I do want to cover some of the highlights. One of the more obvious efforts by PW was the building of the new rest area including shelter, restroom and information kiosk in Iafrati Park. This project was primarily funded by lodging tax grants from Pierce County and completes a significant upgrade to Iafrati Park.

Visible to all of us is the continued refurbishment of the vegetation in the Center Drive median. My sincere thanks to our tree board, under Mike Farley's leadership, for their efforts on this and several other important projects throughout the city. The Street Tree and Sidewalk team is in its second year of a five-year program. They are just over halfway through Palisades Village as they continue the program of repairing or replacing sidewalks and street trees throughout the entire City. This innovative program gained significant attention statewide and was a featured presentation at the 2018 Association of Washington Cities Conference in Yakima last June. Who knew Gus Lim was a standup comic!

In concert with PW, our Parks and Rec department initiated a new program for our parks by completing an inventory of all public equipment in our park system. This allows us to bring our playground equipment "to record" and incorporate it into our Equipment Repair and Replacement program, thereby allowing the City to forecast equipment needs and insure the regular upkeep and upgrade of our recreational equipment. An example of how this program works is the full upgrade of the park and equipment at Ethel Lumsdson Park in the Historic Village. The residents of the Historic Village provided input on the selection of new playground equipment during a community workshop. Later this year that project will continue with the replacement of the basketball court in Sellars Park. Some important but less visible projects included completing the demolition of the Historic Village Water Facility, decommissioned in 1992. PW also completed phase 2 of a Historic Village water main replacement program. A major upgrade and replacement of booster pump and telemetry equipment was completed at our Bell Hill pump station. We continue the upgrade of this facility in 2019 with a new chlorination station. I am sure, like me, we all take for granted that when you turn on your tap, clean water comes out, each and every time. This blessing, that we assume, is only possible because our PW team works diligently and plans ahead to insure we always have an uninterrupted clean water supply.

PW and Parks and Rec are both deeply involved with a long-term project in coordination with JBLM and the Regional Sports Authority that is studying the feasibility of establishing a regional multi-field sports complex on JBLM property within the DuPont City limits near the sewage treatment facility at Solo Point. This project will provide access to much needed ball fields and be a source of revenue to our local businesses as regional and national tournaments take place.

One of the major efforts for PW and myself in close coordination with Pierce County, JBLM, Port of Tacoma and our 28th Legislative Representatives is the project to expand DuPont-Steilacoom Road from 3 to 4 lanes from Wharf Road to the new interchange for I-5 at Exit 119 as part of the Connect Washington I-5 expansion program. This expansion is important as our industrial part of town continues to grow and we work to reduce congestion at this key intersection. Another long-term project for PW is the construction of new PW facilities to replace the aging ones they now use. Council will be considering a revenue bond this spring to fund a new PW facility behind the existing Public Safety facilities. If approved, we will see the facility designed in 2019 and construction beginning in 2020 with a move in date sometime in 2021. The new facility will centralize our municipal facilities and bring much needed capacity to PW and the rest of the City. Another project completed by PW this year was the alphanumeric designations on the 12 major trails throughout the City. If you are a user of our trails, this coding is visible on signage spaced every quarter of a mile along the trails. This allows for anyone using our trail system to phone in a location to 9-11 allowing for a quicker more accurate emergency response. This coding is captured at the South Sound 9-11 dispatch center.

Our Parks and Rec programs continue to be a source of pride and opportunity throughout our City. We have implemented both a HS and Middle School Youth program, led by Renee Buck and other volunteers. Our festivals continue to attract thousands of participants, from our 4th of July events, Hudson Bay days to concert in the park series. Our youth sports programs continue to grow, thanks to both staff and volunteers who make these wonderful opportunities possible. Today our limitations are primarily ball field and court availability.

2018 began the quarterly publication of a Parks and Rec guide that all of you should be familiar with. This initiative by our Parks and Rec Coordinator, Amy Walker, highlights the growing opportunities for recreational activities offered throughout our City.

Long term, many of you participated in the survey regarding a Community Center. This survey highlighted the growing demand for recreational programs and facilities. The survey, conducted by Seattle University, provided valuable insight into community wants and needs. Meetings with several stakeholders followed in a potential community center effort. I will now ask Council for funding to conduct a design and feasibility study to engage, through multiple meetings, the public about our wants and needs for a community center and other park upgrades. Upon completion of this effort, I will bring the results to Council for consideration. If Council approves, this could come back to you as a bond for vote, as early as the spring of 2020. Please participate in this effort when the opportunities are announced. This project needs to be community led to get us the community center we are looking for that meets our wants and needs while remaining affordable. Both PARCS DuPont and our Parks Agency, under Renee Buck's leadership have been instrumental to this effort.

For over three years we have worked to promote DuPont as a destination for golf tourism. In cooperation with Pierce County, The Home Course and the five hotels in DuPont, we sought to promote DuPont as a location that supports golf tourism at ours and other local courses. In 2018 we sent a delegation to the International Association of Golf Tour Operators annual Convention in Bend Oregon to promote our region. The result of this was a Familiarization Tour by 14 tour operators from eight different countries spending three days and two nights in DuPont golfing at Eagles Pride, The Home Course and Chambers Bay. We are now seeing tours coming from multiple Nations as DuPont is recognized as a

center for golf in the PNW. Potential development along the Bluffs will only enhance our desirability as a golf destination.

The area of governance covers the work of several departments as well as the City Council. Some of the heaviest lifting in 2018 occurred in this area. Under the leadership of Jeff Wilson, our Community Development/Planning Director, working closely with the Planning Commission, led by Kevin Ballard and our City Council, 2018 saw some major efforts completed. Following the completion of the Sub-Area Plan in 2017, we completed the accompanying Development Regulations, Zoning Updates and Critical Area Ordinances. What this means is that the City of DuPont, completely updated the legal framework that addresses, in detail, how and what development can take place on our remaining undeveloped property. We also created some of the most restrictive critical area protections in Washington State that not only specify how our critical areas are protected but also allow for the restoration of our wetlands and creeks in ways our previous regulations could not. This was extremely hard work, sometimes contentious, but represents a healthy public process that allowed for opinions to be heard, debate to be had and finally decisions to be made and implemented. I want to thank everyone who participated in this process, whatever your position is or was, your participation brought rigor and integrity to the public process and helped us approve the best products possible for DuPont and our future.

In 2019 our Planning Commission and Council will be tackling the update of our Shoreline Master Plan, another key document that guides the future of how we care for and access our waterfront property. The Sequelitchew Creek Restoration Plan, a seven-year effort, developed by the Environmental Caucus and Cal-Portland was completed in 2018 and could be getting under way later this year. We look forward to the improvement and rehabilitation of Edmond's Marsh and Sequelitchew Creek with the potential for restored salmon habitat. Our recent update of the Critical Areas Ordinances was our major contribution to this effort as the update created the tools that allow for the work necessary to restore the creek. Like you, I look forward to seeing this work completed in the next few years.

Another governance effort was the adoption of a biennial budget. When our new Council took office in January of 2018, we started the effort to make some fundamental improvements to how we run the City. In the spring we held an offsite for Council and Staff and for two days dove into both the idea of a biennial budget and the adoption of a Council Committee process and structure. Led by our Finance Director Carma Oaksmith and our very own DuPont resident and former Councilmember Kathy Trotter, the Staff developed a proposed program to convert the City to a biennial budget. The Council adopted this proposal and we are now aligned with how our State budgets. The advantage for the City is a more stable budgeting process, significant time savings as we no longer go directly from budget approval in November to new budget development beginning in February. An important part of any City's budget is the implementation and maintenance of reserve accounts. As part of the fiscal policies that earned the City a AA bond rating from Standard and Poors, the Council and I are committed to funding our various reserve accounts even if this means deferring desired growth and construction to insure we live within our means and prepare for unseen contingencies.

The other initiative taken on by City Council was the adoption of a Council Committee program. What this did was to substitute the 2nd business meeting of the month with Council Committees. We formed three committees; Public Safety, Public Works and Planning, and Governance. This program allows Council members to work directly on projects and legislation with Department Heads prior to coming to a workshop or the entire Council for approval. Your elected representatives are now involved earlier in the process and can better represent your interests. This also has created a closer relationship between the Directors and Council Members.

One of the tests of our governance is the annual audit by the State Auditor. We recently received our out brief for the 2017 audit and once again, the City had a clean audit from both a fiscal standpoint and our handling of Public Information requests.

Many of you will recall the initiative taken by the Seattle City Council last year to raise a head tax on businesses that pay living wages to their employees. Although I have great empathy with that government as it deals with the challenges of housing and homelessness, I cannot see the logic in punishing businesses for creating good jobs. Led by our County Executive Bruce Dammeier, the majority of cities in Pierce County responded to this effort by Seattle and King County with a cooperative plan to incentivize job creation. In response, your City Council approved a plan developed by our Finance Director and City Attorney that will rebate \$275 of B&O tax to any business that creates a new family wage living job in 2019. That is defined as a job paying \$60k/year in base salary annually. We remain committed to the idea that new, well-paying jobs are good for a community and we want to encourage that.

We live in an open society and the actions of government are open to the public for inspection and critique. This is appropriate and makes our American society different from most in the world. This is not without cost however. Our State has made the production and maintenance of public records a high priority and one that holds governments to a very high standard. We accept this standard and work hard to meet it. We owe a great debt to our City Clerk Karri Muir and her staff for their vigilance in insuring that the City remains fully compliant as we answer the hundreds of Public Information Requests we see every year.

As part of governance, how we communicate is an area of great interest for me. 18 months ago we hired a young, recent communications major and DuPont resident as our communications and tourism coordinator. Ms. Erin Gowenlock. Bright eyed and youthful, she got a baptism by fire in December of 2017 when the Amtrak train derailed and all of a sudden DuPont was in the National spotlight. Since that time, Erin has grown into a job that is proving essential to how we govern the City. As a city without a tv station, newspaper or radio station our assets to communicate are limited. Social media is one tool we have with a City of DuPont, DPD, DFD, Events and Mayor FB pages. These seem to work relatively well for routine or not time sensitive information. I am finding the once every two month utility letter another useful tool to share information about the City. Our website is also a good source of information. We are planning to build a new website later this year, improving your access and making it more intuitive and user friendly. Recently we added the Pierce County PC Alert emergency text service. We successfully tested this yesterday and I encourage each of you to sign up for it. This will be one of the primary methods we use to communicate time sensitive public safety information. If you have previously signed up, I recommend going back into their website and updating your preferences to include DuPont, insuring you receive our messages. Communications becomes essential when a dynamic situation is occurring and we are working with a public safety event. We recently experienced an event similar to the train derailment when a semi accident on I-5, south of DuPont shutdown I-5 southbound lanes for several hours. People believing they can bypass the Nisqually by cutting through DuPont end up getting stuck in town and our entire city gets gridlocked. Besides the challenges with Public Safety vehicles moving in the City we had an incident were a parent was stuck on Center Drive for several hours and ended up parking and walking home to Hoffman Hill. That is simply not acceptable and we are committed to responding more proactively, including limiting access to Dupont to local residents and those with business in town to insure we do not allow the City to become shutdown when I-5 is shutdown. DPD and PW are working with neighboring agencies, developing procedures and decision points that will allow us to respond in a timely manner and keep the City open.

A little seen but essential member of our government is our legal counsel, Mr. Gordon Karg, City Attorney. We only hired a fulltime on staff attorney three years ago. The benefit has been responsive, sound legal counsel. One of my priorities is to avoid taking any action that places the City and public funds at legal risk. This could be anything from a land use

decision to a hiring action. I can honestly say that over the past three years, Gordon has been indispensable in helping the Council, Staff and I steer the City on a path that is legally supportable. This does not mean we are afraid to fight a legal battle, on the contrary, having in-house legal counsel gives Council and I the confidence to take on legal challenges when appropriate and to avoid taking actions that we know are legally indefensible.

We can all see that 2018 began, in earnest, a period of commercial development in our City. As many of you know, the NW Landing development was planned to have 1/3rd of the land for residential use, 1/3rd for greenspace and 1/3rd for commercial and industrial activity. The development of the commercial property came to a halt when the recession hit in 2007. It is only in the last couple of years that we have seen this phase restart. We are blessed and cursed by our location. Sitting directly on I-5, equal distant between Tacoma and Olympia, followed by Seattle and Portland, our small City is well situated for many commercial activities. The efforts at zoning I mentioned earlier, specifically limited the types of activity that can take place in the remaining property surrounding The Home Course insuring we will not have warehouses or distribution centers with the accompanying trucking in our residential neighborhoods or adjacent to our schools. In fact, the new owner of this property is focused on some truly exciting projects that, if fulfilled, will greatly enhance the quality of life and prosperity of our City.

The land in our industrial section has gone mostly to the development of warehouses. We worked hard to incentivize retail activity but the market simply does not support developers bringing that in. That is a reflection of both the market and our location on I-5 and next to JBLM. Like many of you, I am excited to see the project at the corner of Center Drive and McNeil finish this spring. We will have a new ACE Hardware and indoor storage facility bringing much needed retail and storage capability to our City. The development brings new opportunities for jobs, services and revenues. The growth in commercial revenue allows DuPont to maintain the lowest municipal tax rate in the county while still pursuing modest growth in Public Safety, public facilities and other services. A few years ago the Sheet Metal Union opened a training facility at Williamson Place. This facility has introduced an innovative program in cooperation with JBLM that allows transitioning service members to conduct sheet metal training while still on active duty. Upon graduation, these people are now certified apprentices in the sheet metal trade. I have had the opportunity to attend several of these graduations and am thrilled that DuPont is the host City for this program. Complimentary to this program, the Carpenters Union is building a new training facility behind the existing sheet metal facility at Williamson Place. Quietly, DuPont is becoming a training center for the high demand construction industry.

A project that has been several years in the making will come to fruition later this spring. After 4 years of negotiations with Amazon on several issues, we have reached an agreement that includes the construction of a back entrance from Amazon to Wharf Road. When completed, this becomes the primary entry and exit point for truck traffic coming into and out of Amazon. This means that truck traffic on Center Drive in front of Edmonds Village will be greatly reduced. I want to thank the staff and Amazon for working to make this improvement for quality of life and public safety possible.

Another project we expect to see begin in 2019 is the construction of a much needed memory care facility on the Patriots Landing campus. This is the first of several projects planned by Careage for Patriots Landing and will continue the growth of their capabilities as a premier senior care facility in our region.

I have discussed many varied efforts over the past few minutes ranging from Public Safety, construction of new facilities and maintenance of our existing ones, how we communicate, how we budget and govern to recreational opportunities for our residents and the commercial growth in our City. As I mentioned in my opening remarks, running a City is complex and demanding. We are blessed to have a professional staff who, led by our new City Administrator Andy Takata, daily, commit their vast experience and personal talents to making DuPont a better place to live, work and play. We are all fortunate to have a City Council, our elected representatives who fulfill a largely volunteer role and approve

every single effort I have discussed. They have studied the pros and cons, weighed the testimony you and others have given and ultimately taken responsibility to approve or deny every effort undertaken by our City. From my right to left they are CMs Chris Barnes, Shawna Gasak, Rex Bruce, DM Eric Corp, Penny Coffey, Matt Helder and Leo Gruba. They take your calls and emails, they question the staff and me and ultimately they make the decisions that the staff and I then implement. Lastly, for over 5 years we were all fortunate to have Mr. Ted Danek serve this City as our City Administrator. I know I speak for, my predecessor Mayor Michael Grayum, our Council Members and our staff when I say that no single individual has had more to do with the positive movement forward in every aspect of our City than Ted has. I am fortunate to count him as friend and look forward to the next chapter in his life as he brings an ACE Hardware to our City and becomes a business leader in our community.

In conclusion, our City is strong and moving forward with open eyes and a plan. When I drive through our City, I do not see the DuPont that is, I see the DuPont we can become. We will grow our capacity in Public Safety, public facilities and other services as growth in revenues permits. We will not over commit the City nor sell it out. I wish each and every one of you a happy and prosperous 2019 and look forward to DuPont continuing on its path towards being the best DuPont we can possibly be. God bless each of you and God bless DuPont.