



City of La Center, WA
214 East 4th Street
La Center, WA 98629

TO THE CITY OF LA CENTER CITY COUNCIL AND CITIZENS

I am pleased to present the City of La Center's 2022 Proposed Budget for your review and consideration. The city continues to face significant financial challenges as a result of the pandemic, opening of ilani and a significant increase in new development. Thanks to the leadership of previous city councils, recent new development and one-time funds received from the American Rescue Plan Act (ARPA), the city is in a financial position that allowed us to weather these uncertain times.

The 2022 Proposed Budget continues existing city services and service levels and moves forward key investments in the city's infrastructure. While it sustains existing service levels, the 2022 Proposed Budget for the General Fund relies heavily on reserves. The projected 2022 General Fund deficit is larger than in recent years. While the city's reserve balances remain strong, the City Council will need to draft policy that will address the structural General Fund deficit.

The City of La Center had several significant accomplishments in 2021 and the 2022 Proposed Budget implements a number of additional positive changes. Notable 2021 accomplishments included:

- **Junction Development.** In 2021 the city approved site plans for development at the Minit Management location. The proposed development includes a 101-unit 5-story hotel; an 11,600 square foot, one-story, multi-tenant commercial building; a 4,510 square foot one-story convenience store with a drive-through window; a 2,800 square foot one-story drive-through restaurant; and a 12-pump automobile fueling island. The start date and pace for construction is still uncertain but when completed this major development will add a significant number of jobs, set the stage for future development and increase city tax revenue.
- **New La Center Middle School.** The La Center School District has been given temporary occupancy on their new 77,000 square foot Middle School.
- **East 4th Street Widening/Brezee Creek Culvert.** Thanks to a \$1.5 million state grant the city is completing the design and engineering to address one of the key challenges for traffic and fish in the city. Ultimately the project will replace the existing undersized culvert and widen the street. That in turn will enhance the habitat within Brezee Creek, allow fish passage, reduce traffic delays and improve safety for vehicles, pedestrians, and cyclists.
- **New Residential Development.** The city is on pace to issue an estimated 90 building permits for new single-family homes in 2021. The city also approved permits for a 144-unit multi-family project which will be the largest multi-family development for the city in recent history. We anticipate issuing 80 building permits for new single-family homes in 2022.
- **New City Hall.** The city hopes to move into its new City Hall by the end of 2021. Thanks to a \$1.2 million grant from the Department of Commerce, the city was able to renovate the building. The city will combine Finance, Building, and the Community Development

departments under one roof. This will allow the city to become more efficient with staffing and resources. The city plans to lease the vacated buildings and the excess space in the new City Hall to help encourage new employers to locate in La Center.

- **Added a Solid Waste Utility Excise Tax.** In 2021, the city began collecting an excise tax on solid waste services. The city's utility excise tax will bring in \$293,000 in 2021 and an estimated \$322,000 in 2022. Every Clark County city except Camas collects this tax as do over 140 cities across Washington State.

The increase in residential development and the prospect of new development at the La Center junction presents both a challenge and an opportunity. Complicating the city's response to this growth is the dependency on and uncertainty regarding the tax revenue from the La Center card rooms. The challenge is to be able to grow in a responsible and fiscally conservative manner while preserving the community's values and continuing to provide quality city services. The opportunity is to enhance the public and private services, provide employment opportunities within the city, and diversify the tax base. The 2022 Proposed Budget includes a number of initiatives to address these challenges and opportunities, including:

- **Conservative Growth Assumptions.** The 2022 Proposed Budget uses assumptions for new development that are below 2021 levels.
- **Staffing Levels.** One new full-time employee is included in the 2022 Proposed Budget for the public works department. In addition, the proposed budget reflects the current policy of a fully-staffed police department. The city is currently negotiating a contract with the Clark County Sheriff's Office, however, these negotiations have not been completed at the time of presenting the 2022 budget. The city anticipates significant cost savings to the 2022 budget pending the outcome of these negotiations.
- **No Increase in Monthly Sewer Rates.** The monthly rate for city sewer services will remain flat for the seventh year in a row. Despite its small size, the city's operations continue to become more efficient and, at least for now, increases in monthly user rates can be deferred. In addition, with the recent growth and conservative new development projections, the utility should be able to fully fund capital and debt obligations anticipated over the next five years with perhaps modest rate increases over that time.
- **Studies.** The city will conduct two studies in 2022. First, a study to evaluate the street lights on La Center Road will be done to determine how the lighting may be improved without negatively impacting the surrounding homes. Secondly, a study to evaluate the condition and useability of the parks, trails and access points to the waterways used by residents and visitors in the city. This will help us to meet the needs for our growing community. The purpose of the study is two-fold: 1) identify the physical condition of parks, trails, and access points and what improvements that may need to be made to improve these assets, and 2) identify how the city may promote outdoor recreation and use the natural resources that are abundant within the city. The assessment is key to the city marketing an increased utilization of these natural resources both within the community, and as a possible revenue source.

- **Targeted Infrastructure Investment.** Funding for several critical infrastructure projects is identified in the 2022 Proposed Budget. Among the proposed projects are:
 - The design for a pedestrian path along Pacific Highway to provide students a safe route to walk or bike to school.
 - Paving of the westbound lane on La Center Road between the Lewis River Bridge and Timmen Road, with reconstruction of a portion of the road.
 - Completion of the engineering design for the East 4th Street/Breeze Creek culvert and road widening project. The city has already received a \$1,045,000 grant for construction (which will take place in 2024) and will be seeking additional grant funding in 2022 and beyond.
 - A community welcome sign at the La Center junction with Interstate 5.
 - A new park will be constructed as part of Riverside subdivision development requirements. This park will be dedicated to the City of La Center as a public park that is consistent with the city’s Park Plan.
- **Community Center Renovation.** The city anticipates going to bid and completing the remodel of the Community Center. The city received a \$500,000 grant from the Department of Commerce that will go towards the upgrade of the kitchen as well as repairing the parking lot.

It has been a challenging year for the city and, in these challenging times, I value the things La Center has to offer even more. We are fortunate to have an engaged community, active community leaders and dedicated city employees. Those attributes, along with strong fiscal management, will help us to continue to support a safe and thriving community with high quality city services.

A complete summary of the 2022 Proposed Budget is attached to this letter. I want to thank the city’s Budget Advisory Committee for their counsel and work over this past year in helping to develop the city’s 2022 budget proposal. I look forward to receiving public input at the City Council public hearing scheduled for the November 17 City Council meeting. Information is available on the city’s web site or by contacting me directly at gthornton@ci.lacenter.wa.us.

Respectfully submitted,

Greg Thornton

Mayor, City of La Center