



CITY OF CHELAN
City Council Workshop Meeting
February 3, 2026

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor:

Erin McCardle

Councilmembers:

Augustin Benegas
Brad Chitty
Shane Collins
Mark Ericks (via Zoom)
Jon Higgins
Tim Hollingsworth
Terry Sanders

Administrative Personnel:

City Administrator Laura McAloon
City Attorney Quentin Batjer
City Clerk Peri Gallucci
Deputy City Clerk Cailey Couch
Community Development Director John Ajax
Finance Director Heidi Evans
HR/Communication Director Coltman
Interim Parks & Recreation Director Audrey Cooper
Public Works Director Jake Youngren

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:15 p.m.

2. AGENDA CHANGES

Item 3B. Transpo Group Traffic Analysis Presentation was removed from the agenda.

Item 3C. Resolution No. 2026-14XX Six-Year Transportation Program (STIP) 2026-2031 was removed from the agenda.

3. WORKSHOP DISCUSSION TOPICS

- A. Historic Downtown Chelan Association (HDCA) Annual Report (City Administrator McAloon/HDCA Director Sheridan)

Aimee Sheridan, Executive Director of the Historic Downtown Chelan Association (HDCA), presented the organization's annual report, highlighting progress on its 2021–2026 Transformational Plan. Her presentation outlined HDCA's work to foster a welcoming, inclusive, clean, safe, and economically thriving downtown Chelan. She also reviewed recent accomplishments, key partnerships, program impacts, financial updates, and emphasized the continued importance of City support.

- B. Transpo Group Traffic Analysis Presentation (Public Works Director Youngren)

This item was removed from the agenda.

- C. Resolution No. 2026-14XX Six Year Transportation Program (STIP) 2026-2031
(Public Works Director Youngren)

This item was removed from the agenda.

- D. Home Occupancy Zoning Code Update (Community Development Director Ajax)

Community Development Director Ajax shared the Planning Commission has been working on updates to the zoning code provisions related to home occupations. The proposed amendments are intended to clarify how portions of a residence may be used for business purposes, ranging from home offices to home-based businesses that involve customer visits. The existing code has proven to be cumbersome for both applicants and staff, and the proposed updates are designed to streamline and simplify the process.

- E. Chelan Municipal Code (CMC) 5.20 Peddlers, Hawkers and Transient Businesses Update (Community Development Director Ajax)

Community Development Director Ajax informed Council that City staff is drafting a revised code update for CMC 5.20, Peddlers, Hawkers, and Transient Businesses. The current code is significantly outdated and no longer reflects the types of business activity occurring in the City today. The primary concern is transient businesses that are operating as fully established, ongoing businesses. Staff will present the existing code versus the recommended revisions, with the goal of completing this update by early summer.

- F. Lake Chelan Sewer District (LCSD) Interlocal Repayment and Reimbursement Agreement for Lift Station No. 5 Improvements (Finance Director Evans)

Finance Director Evans brought forward the Interlocal Repayment and Reimbursement Agreement. Sharing between 2020 and 2022, the City completed over \$1.6 million in upgrades to Lift Station No. 5, with Lake Chelan Sewer District (LCSD) responsible for roughly half the cost under the 2022–2061 Interlocal Agreement. LCSD's share totals \$818,749.93. Without a formal repayment agreement, LCSD made informal payments for several years, leaving a remaining balance of \$607,563.40. Staff turnover and limited documentation contributed to the cessation of payments after 2023. The proposed 10-year repayment plan reflects the prior verbal agreement and will allow the City to recover the outstanding funds while earning consistent interest on the principal.

- G. J-U-B-Engineers, Inc. Authorization for Contract Amendment No. 1 & Scope of Services for the Runway and Taxiway Relocation Environmental Assessment (City Administrator McAloon/J-U-B Project Manager Ike)

City Administrator McAloon shared Amendment No. 1 authorizes a contract amendment with J-U-B Engineers for the environmental assessment related to the proposed runway and taxiway relocation project. The amendment increases the contract amount by

\$66,560, bringing the total to approximately \$457,982, and extends the contract completion date to December 31, 2026. The extension and added cost are due to unanticipated delays not caused by the City, primarily resulting from staffing turnover at the federal level. Because the project is FAA-funded, additional coordination, re-education of new FAA staff, and some duplicate work were required, necessitating the amendment to complete the project.

4. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon

Reported that after 31 days meeting with department heads, she feels she has a strong understanding of current City operations. She reiterated the importance of clearly defined City values and noted that these values are reflected in the work of all City employees, with an emphasis on smart growth. Based on feedback received, she has developed a work plan for the remainder of the year, beginning with a multi-year review of Chelan Municipal Code to address outdated sections and align the code with current practices, using a phased “small bites” approach with actions anticipated in February and March. She also shared plans to work closely with each department to support department heads, apply City values, and review organizational and operational structures ahead of the 2027 budget season, bringing recommendations to Council department by department, starting with the Parks Department. She noted the leadership transition underway in Parks, coordination with the new Director beginning February 10, 2026 and that the timing aligns well with the department’s slower season and the forthcoming golf course consultant study, which is expected to be completed by the fourth quarter.

City Clerk Gallucci

None.

Community Development Director Ajax

Shared his department is reviewing the sign code.

Finance Director Evans

Shared routine operations are ongoing, with year-end, quarterly, and month-end financial reporting now complete. An update was provided that automated mailing of utility bills will be launched this month. Work is also underway on procurement-related policies within the Finance Department, including credit card use and cash-handling policies, with plans to provide training on allowable purchasing practices as part of the department’s goals for the year.

HR/Communications Director Coltman

Shared communications efforts are being increased to help inform and engage the community as public works projects begin to ramp up.

Interim Parks and Recreation Director Cooper

Stated the Parks and Recreation Advisory Board met, noting proposed updates to the Chelan Municipal Code will be brought forward for review in March, and it was noted that agendas and minutes are now available through CivicClerk. An update was also provided on the Lakeside Park renovations, and staff reported that new golf carts have been delivered.

Public Works Director Youngren

Reported Resident Engineer Max Nelson began work on Monday, aligning well with the start of the construction season. Drew Belton has been selected as the new Operations Manager and he is scheduled to begin on February 18, 2026. An update was also provided on upcoming projects, noting that the first wave of bids will include work on SR-150 and related services, with bid awards anticipated at a March workshop. Fleet operations are ramping up gradually, with the shop focusing on Parks and Recreation vehicles to address early needs while seasonal staff onboarding is still underway.

5. MAYOR AND COUNCIL COMMENTS

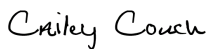
None.

6. ADJOURNMENT

MOTION:	I move to adjourn the meeting.
MOVER:	Councilmember Hollingsworth
SECONDER:	Councilmember Chitty
AYES:	Councilmember Terry Sanders, Councilmember Augustin Benegas, Councilmember Chitty, Councilmember Jon Higgins, Councilmember Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 6:40 P.M.

**Date
Approved:**
March 10, 2026

Signed by:

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Cailey Couch
Deputy City Clerk

Signed by:

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Erin McCardle
Mayor