



City of Chelan

**City Council Meeting
July 14, 2026**

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor:

Erin McCardle

Councilmembers:

Agustin Benegas

Brad Chitty

Shane Collins

Jon Higgins

Tim Hollingsworth

Cesar Rivera-Vargas

Terry Sanders

Administrative Personnel:

City Administrator Laura McAloon

City Attorney Danielle Marchant

City Clerk Peri Gallucci

Deputy City Clerk Cailey Couch

Community Development Director John Ajax

Finance Director Heidi Evans

HR/Communication Director Chad Coltman

Parks & Recreation Director Audrey Cooper

Public Works Director Jake Youngren

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND ROLL CALL

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

2. AGENDA CHANGES

Add item 5E: Washington State Department of Transportation Highway 97A Multi-use Trail (Ted Snodgrass/Public Works Director Youngren)

Add item 7C: Clausen Settlement Agreement and General Release of All Claims (City Administrator McAloon)

Suggested Motion: I move to authorize the Mayor to finalize and execute the Clausen Settlement Agreement and General Release of All Claims, in the amount of \$300,000.00.

3. CITIZEN COMMENTS

Items not on the agenda. Time limited per the Mayor.

Cathy Shinkoske, resident of Chelan, advocated for the installation of benches with backs at Lakeside Park.

Mary Sterling, resident of Chelan, inquired about the need for a referendum regarding the pathway on State Route 150.

Vicki Marz, resident of Chelan, expressed her concerns regarding a long-standing dispute over parking credits for Lakeside Lodge and Suites.

4. CONSENT AGENDA

All items under the Consent Agenda are approved with one motion. Suggested Motion: I move to approve the Consent Agenda.

- A. June 09, 2026 Regular Council Meeting Minutes
- B. June 18, 2026, Joint Chelan City Council with the Parks and Recreation Advisory Board Special Meeting Minutes
- C. June 23, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s

June 23, 2026 Payroll Checks No. 103279 - 103286, EFT' s & Direct Deposit totaling \$334,401.42 and Accounts Payable Checks No. 213105 - 213184 & EFT's totaling \$2,382,576.94. Void Check No. 212925 Transient Vendor (Forte Architects) check issued to wrong vendor totaling \$(14,434.40) with an Accounts Payable Total of \$2,368,142.54

- D. June 30, 2026 Strategic Retreat Council Meeting Minutes
- E. July 14, 2026 Accounts Payable Checks and EFT's & Payroll Checks and EFT' s

July 14, 2026 Payroll Checks No. 103287-103298, EFT' s and Direct Deposits totaling \$654,142.01 and Accounts Payable Checks No. XX - XX & EFT's totaling \$745,384.81.

- F. Excuse Councilmember Sanders from the June 30, 2026 Strategic Retreat
- G. 2026 Revised Council Committee Liaison Assignments
- H. Washington State Parks and Recreation Commission Subrecipient Grant Agreement for the Clean Vessel Act (CVA) Operations & Maintenance Agreement No. CVA 524-305

MOTION:	Move to approve the Consent Agenda.
MOVER:	Councilmember Terry Sanders
SECONDER:	Councilmember Cesar Rivera-Vargas
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins

NAYS:	None
RESULT:	Passed

5. SPECIAL PRESENTATIONS, PROCLAMATIONS, AND AWARDS

A. Chelan Valley Feral Cat Project Funding Report

The Chelan Valley Feral Cat Project presented their annual funding report to City Council. Founder April Leaf highlighted the program's success during the organization's third year, including fewer stray kitten calls, and shared that the project has inspired similar programs in neighboring communities. The organization receives \$5,000 annually from the City under a 2025–2027 funding agreement.

B. Cascadia Conservation District Presentation

Ryan Williams, Executive Director of Cascadia Conservation District (CCD), provided a high-level overview of the organization's programs and services. In addition, the CCD requested a letter of support for the Washington State Conservation Commission's Washington Wildlife and Recreation Program (WWRP) Application No. 26-1569, which seeks funding to acquire Hinterlands Farm Phase 2 in Manson, Chelan County, as a permanent agricultural easement.

C. Parks & Recreation Professionals Month Proclamation

Mayor McCardle proclaimed July as Parks & Recreation Professionals Month in the City of Chelan.

D. Chelan County Regional Justice Center Presentation

Chris Sharp, Director of the Chelan County Regional Justice Center, presented a high-level overview of operations and recent improvements at the Chelan County Jail. He also introduced a proposed funding model for 2027 that would shift costs to a per-bed, per-night rate "pay as you go" structure rather than a lump sum. The proposal remains under review and will be presented to the City Council at a future date for consideration.

E. Washington State Department of Transportation United States Highway 97A Chelan Multimodal Improvements

Ted Snodgrass, Transportation Engineer 2 of Washington State Department of Transportation (WSDOT), presented an overview of the United States Highway 97A Chelan Multimodal Improvements project. He shared that WSDOT is seeking a \$60,000.00 contribution towards the project, which will provide a multimodal pathway extending from Johnson Place to South Lakeshore Road. The pathway will be constructed within the existing roadway corridor, with an anticipated start date in September 2026. As part of the

project, the speed limit along this section of the highway would be reduced from 50 mph to 35 mph.

6. PUBLIC HEARINGS

A. None.

7. MOTION CONSIDERATIONS

A. Resolution No. 2026-1483 Washington State Department of Commerce
Community Economic Revitalization Board (CERB) Grant Application

City Administrator McAloon shared staff has explored funding opportunities to support economic development and diversify Chelan’s economy. Building on Douglas County’s recent CERB funded economic diversification effort, staff developed a grant application to create a five-year economic development strategy for the City. The proposed CERB grant would provide up to \$75,000 to support development of the strategy, with authorization for the Mayor to execute a grant agreement with the Department of Commerce if awarded. The effort is intended to diversify Chelan’s economy beyond its traditional reliance on tourism and agriculture.

MOTION:	Motion to adopt Resolution No. 2026-1483 authorizing the application for and acceptance of a Washington State Department of Commerce Community Economic Revitalization Board (CERB) Grant.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Cesar Rivera-Vargas
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

B. Resolution No. 2026-1484 Washington State Military Department Public
Assistance Grant Agreement

Parks and Recreation Director Cooper shared an update on woody debris deposited along Lake Chelan shorelines following the December 2025 atmospheric river event. City crews, with support from community volunteers, have removed nearly 100 cubic yards of debris

from public parks, beaches, and marina facilities, with additional debris expected throughout the summer. She also reported a FEMA Public Assistance reimbursement request has been submitted for eligible debris removal costs, and approval of a grant agreement with the Washington Military Department would position the City to receive reimbursement should federal funding be awarded. The effort is intended to support continued shoreline cleanup while maximizing available disaster recovery funding.

MOTION:	Move to adopt Resolution No. 2026-1484.
MOVER:	Councilmember Jon Higgins
SECONDER:	Councilmember Terry Sanders
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

C. 2027 Budget Calendar Acceptance

Finance Director Evans presented the proposed 2027 budget calendar, highlighting key dates for public hearings and special meetings related to the operations, maintenance, and capital budgets. The proposed schedule was developed to meet all statutory requirements and deadlines for adoption of the 2027 budget.

MOTION:	Move to accept the 2027 Budget Calendar, as presented.
MOVER:	Councilmember Agustin Bengas
SECONDER:	Councilmember Jon Higgins
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

D. Clausen Settlement Agreement and General Release of All Claims

City Administrator McAloon presented the Clausen Settlement Agreement and General Release of All Claims related to the resolution of a legal matter involving the City. The agreement is intended to provide a final resolution to the matter and conclude the associated claim.

MOTION:	Move to authorize the Mayor to finalize and execute the Clausen Settlement Agreement and General Release of All Claims, in the amount of \$300,000.00.
MOVER:	Councilmember Tim Hollingsworth
SECONDER:	Councilmember Jon Higgins
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

8. ADMINISTRATIVE REPORTS

A. Resolution No. 2026-14XX Council Rules of Procedure

City Administrator McAloon presented a redlined version of the proposed revisions to the City Council Rules of Procedure. The updates reflect previous Council direction and align with ongoing Chelan Municipal Code revisions. Several provisions were removed from the Rules of Procedure because they are addressed in the code updates, with applicable requirements now governed by state law and the Revised Code of Washington (RCW).

One written public comment was received from Brian Patterson, resident of Manson, who expressed concerns about allowing public comment on topics not listed on the City Council meeting agenda.

B. Resolution No. 2026-14XX Pilot Program for Outdoor Seating

Community Development Director Ajax presented a proposed pilot program that would allow certain downtown businesses to use sidewalk demarcation markers instead of railings for outdoor alcohol service areas. The pilot is intended to enhance pedestrian accessibility while maintaining regulatory compliance. Staff will return with a proposed resolution for Council consideration at a future meeting.

C. 2026 Comprehensive Plan Update: Chapter 1 Overview & Vision and Chapter 2 Land Use

Community Development Director Ajax shared an update on the 2026 – 2046 Comprehensive Plan periodic update process, including a summary of the first Planning Commission public hearing held on June 17, 2026. The hearing introduced the Comprehensive Plan update, reviewed the community vision established through the Lake Chelan Vision Project, and discussed the Overview & Vision and Land Use chapters. He noted the draft plan continues to emphasize protection of Lake Chelan, preservation of community character, housing affordability, and directing growth to areas with available public services.

9. INFORMATIONAL ITEMS

These items are for informational purposes only and are generally not discussed.

A. Tentative Advanced Agenda

B. Contract Intake Report

10. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon

Reported the City received one (1) bid for the Library Moisture Mitigation project, which exceeded the engineer's estimate by approximately \$100,000.

City Clerk Gallucci

None.

Community Development Director Ajax

Provided a recap of a recent meeting with Councilmember Chitty and Colville Tribe Elder Randy Lewis regarding proposed signage around Lake Chelan. He reported that a contract with Tegriss, along with information related to short-term rental funding fees, will be brought forward for Council consideration in the near future.

Finance Director Evans

Reported she and her staff are preparing for the upcoming budget season.

HR/Communications Director Coltman

Recognized City staff anniversaries, including Public Works Director Jake Youngren's 9 years of service and Sanitation Driver Raul Blanco's 10 years of service. He also shared key takeaways from the Association of Washington Cities (AWC) conference, noting cybersecurity as a significant topic of discussion, and provided an update on efforts to improve the City's information technology services.

Parks and Recreation Director Cooper

Provided a recap of the Fourth of July weekend, including a review of parking data compared to previous years. She thanked City staff for their efforts and expressed

appreciation for the recent proclamation. Also reported that Recreation and Conservation Office (RCO) grant applications were submitted and that funding decisions are expected in fall of 2026.

Public Works Director Youngren

Reported bids for Phase two (2) of the sewer project will be opened on July 17, 2026, with a bid award anticipated on July 28 and construction expected to begin in September. He also provided an update on the State Route 150 sewer line project, noting that nighttime work continues and only one remaining issue near the marina parking lot remains to be addressed. Additional updates included upcoming roadway striping on Sanders Street and the near completion of related lighting improvements. He also discussed the recent fire near Willmorth, noting that prior infrastructure investments in the area provided adequate water service to support firefighting efforts,

Chelan County Sargent Huddleston

Provided a recap of Fourth of July activity data across Chelan County, including information specific to the City of Chelan.

11. MAYOR AND COUNCIL COMMENTS

Mayor McCardle

Provided a recap of a recent meeting with Commissioner Hawkins and local winery owners regarding county-related concerns. She also shared updates on recent lodging tax discussions and ongoing efforts to address bridge jumping issues and response efforts of first responders.

Councilmember Benegas

Shared the presentations and discussion tonight were informative.

Councilmember Chitty

Shared highlights from a recent facility tour of the Water and Wastewater Treatment Plant and expressed appreciation for City staff's dedication and responsible stewardship of public funds. He also provided a recap of a recent meeting with Community Development Director Ajax and Colville Tribes elder Randy Lewis regarding proposed signage around Lake Chelan. Lastly, he expressed enthusiasm for continued collaboration and thanked first responders for their service.

Councilmember Collins

Thanked members of the public for their comments and acknowledged April Leaf, and Ryan Williams for their presentations tonight. He also sought clarification from City Administrator McAloon regarding parking stalls associated with the Lakeside Lodge project.

Councilmember Higgins

Thanked those who provided public comment and presentations. He also discussed

concerns regarding litter accumulation near the bridge and noted the recent fire activity and response time.

Councilmember Hollingsworth

He commended first responders for their efforts and expressed concerns regarding parking impacts in the Lakeside neighborhood. He also expressed interest in park benches at Lakeside Park and along the new Lakeside Trail.

Councilmember Rivera-Vargas

Shared a personal goal of improving public speaking by pausing rather than relying on filler words during meetings.

Councilmember Sanders

Expressed appreciation for the evening's presentations and public comments. He thanked first responders for their service, acknowledged the work of the Chelan Valley Feral Cat Project, expressed appreciation for the library update, and inquired about the status of the Farnham project.

12. EXECUTIVE SESSION

A. None

13. ADJOURNMENT

MOTION:	Move to adjourn the meeting.
MOVER:	Councilmember Jon Higgins
SECONDER:	Councilmember Cesar Rivera-Vargas
AYES:	Councilmember Terry Sanders, Councilmember Agustin Bengas, Councilmember Brad Chitty, Councilmember Jon Higgins, Councilmember Cesar Rivera-Vargas, Councilmember Tim Hollingsworth, Councilmember Shane Collins
NAYS:	None
RESULT:	Passed

The meeting was adjourned at 8:10 P.M.

Date Approved:

July 28, 2026

Signed by:

Cailey Couch

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Cailey Couch
Deputy City Clerk

Signed by:

Erin McCardle

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Erin McCardle
Mayor