

LEAVENWORTH CITY COUNCIL STUDY SESSION MINUTES

June 23, 2026

Mayor Pro Tempore Hessburg called the June 23, 2026 Study Session to order at 5:31 PM.

Council Present: Mayor Pro Tempore Anne Hessburg, Clint Strand, Zeke Reister, Shane Thayer and Rob Eaton.

Council Absent: Travis McMaster and Mike Bedard

Staff Present: Chantell Steiner, Maggie Boles, Andi Zontek-Backstrum and Andrea Fischer.

1. Icicle Valley Trout Unlimited Presentation

Mike Wyant, representing the Icicle Valley Chapter of Trout Unlimited, opened by sharing the significance of the pond to the community.

Mr. Wyant provided a brief history of the pond, which was constructed around 2004 with grant funding from the Alcoa Foundation, with involvement from Chelan County PUD. A water right was secured allowing one cubic foot per second to be pumped from the Wenatchee River into the pond in a nonconsumptive arrangement. The PUD had used the site for a multi-year experiment to imprint juvenile steelhead from the Chiwawa facility in hopes they would return to spawn in the middle Wenatchee River. When the fish failed to imprint on the targeted reach, the PUD concluded the experiment and withdrew from the operation around 2018.

Following the PUD's departure, the pond continued informally as a kids' fishing site. Parks Supervisor John Schons and his crew had been maintaining it, but aging infrastructure eventually became unmanageable. Approximately three years ago, Mr. Schons indicated he could no longer sustain the effort, prompting Mr. Wyant to step into a stewardship role. After the December 2025 storm, the pond was left in poor condition; Mr. Wyant sent a community-wide email acknowledging that the chapter, described as a small, aging group, likely could not recover the facility alone.

Community member Trent Jackson responded to that email and took on a central role in the recovery effort. Mr. Jackson described pulling approximately 200 yards of debris from the pond using kayaks, ropes, and improvised equipment, with over 175 personal volunteer hours invested. He launched a GoFundMe campaign and engaged local business owners in fundraising. Combined with prior efforts, the community raised more than \$20,000 toward infrastructure repair and pond rehabilitation. He noted that the immediate capital priorities include rebuilding the deck below the pump house, potentially relocating the pump house structure approximately 20 feet inland to protect it from future flood events, and establishing a practice of removing the pump system from the water at the end of each season to prevent flood damage.

Canuche Terranella, Executive Director of the Wenatchee River Institute (WRI), presented a vision for WRI to take on long-term operational stewardship of the pond. He noted that while fishing is not a core part of WRI's programming, it is closely aligned with the organization's mission of connecting communities to the natural world, and that the pond represents an opportunity to engage children in conservation through the gateway of fishing. He explained that WRI, unlike volunteer-driven groups, has paid staff capable of responding to maintenance issues

on an on-call basis, which is critical need given that the pump system must run continuously to keep fish alive.

Mr. Terranella estimated that an annual operating budget of approximately \$20,000 would cover staffing for maintenance, land stewardship, volunteer event coordination, and insurance coverage for programs. He emphasized that this figure does not include the cost of a new educator but rather reflects administrative and maintenance support. He proposed forming an advisory committee drawing on fishing experts, including individuals from Trout Unlimited, to guide programming and community engagement activities at the site.

Councilmember Eaton thanked all parties for their efforts and suggested that the matter be referred to the Parks and Public Works Committee to develop a formal stewardship plan. He noted that because the pond sits on City-owned property, a primary steward must be clearly identified, and he expressed a desire to discuss with the committee what role the City might appropriately play in funding the estimated \$20,000 annual operating cost.

The Council asked questions and discussed the information that was presented.

2. Housing Advisory Committee Presentation

Justin Horvath, Chair of the Leavenworth Housing Advisory Committee (HAC), provided an overview of the process that led to the project the committee is recommending to the Council. He explained that the HAC had developed a Request for Ideas (RFI) process titled "Build It Together Leavenworth: Community Housing and Workforce Innovation Challenge," aimed at connecting landowners, developers, property managers, and financiers who shared a common interest in addressing the workforce housing shortage. The HAC intentionally kept the RFI broad to encourage diverse and creative proposals.

The Committee received five presentations and three formal submissions. The proposals that were considered are a long-term development concept tied to the golf course, a financing model using existing housing funds to subsidize rent for essential workers, and a cottage housing development proposed by contractor Matt Melton in partnership with Upper Valley MEND. Mr. Horvath noted that while the other ideas had merit, the Melton-MEND proposal was selected as the top recommendation because it would directly increase the permanent housing stock, which was the Committee's primary objective, and represented a successful convergence of the partnership model the RFI was designed to create.

Mr. Melton, the project developer, described his background and the origins of the project. He and his wife own property in Leavenworth on which they plan to build eight cottage homes. He explained that the two-bedroom, two-bath units at 930 square feet each were designed to address a gap in the local housing market between high-cost single-family homes and condominiums. Drawing on his own family's experience living comfortably in a 780-square-foot home with four people for seven years, he argued the size is practical as a starter home or for smaller households such as retirees. The project emphasizes low maintenance through durable exterior materials, minimal landscaping using native plant species, and a streamlined HOA structure, targeted at approximately \$150 per month, covering shared utilities such as water and sewer, with individual electrical meters for each unit. Construction is being done with prefabricated modular units, with the first four units scheduled to be set on their foundations by the end of September 2026, and the second four in the spring.

Kaylin Bettinger, Executive Director of Upper Valley MEND, explained the three-way partnership model between the City, MEND, and the developer. Of the eight total units, four are proposed to be placed into a Community Land Trust (CLT) to ensure long-term affordability for future owners. The City subsidy of \$150,000 per unit is intended to bring the purchase price from the list price of \$525,000, discounted to \$500,000 for CLT buyers, down to an affordable level of approximately \$350,000. Ms. Bettinger walked through the affordability calculation, explaining that target buyers in the 80–120% Area Median Income (AMI) range, encompassing one-to-three person households earning between \$83,000 and \$107,000 annually, can afford approximately \$350,000 in home price when housing costs are held to 35 percent of monthly income. She also noted that down payment assistance programs could be included for buyers at the lower end of that range.

The proposal calls for closing on the first three CLT units in November 2026, with a fourth unit potentially in 2027, which would require future funding beyond the current affordable housing fund balance. Ms. Bettinger acknowledged the tight timeline and noted that buyer qualifications would need to begin promptly following City Council approval. Community Development Director Maggie Boles confirmed that building permits have already been reviewed and approved, and that a unit lot subdivision has been finalized, enabling the project to move quickly. She noted that the project serves as a practical demonstration of two recently adopted City housing codes, cottage housing regulations and unit lot subdivision, working as intended to incentivize housing development.

The Council asked questions and discussed the information that was presented.

The Council expressed strong support for the project, calling it creative, innovative and an excellent partnership.

3. Increase Request for Leavenworth Fund

Executive Assistant Courtney Porter presented on behalf of the Economic Development Committee, recommending an increase to the Leavenworth Fund grant program in preparation for the 2027 grant cycle. She reported that during the 2026 cycle, available funds covered only 54 percent of general fund requests and 60 percent of lodging tax fund requests, with most unfunded applications scoring between 70 and 95 out of 100 points. The committee proposed increasing both the general fund allocation and the lodging tax fund allocation by \$25,000 each, which would allow approximately 75 percent of anticipated 2027 requests to be funded. The last increase to the funds was in 2022.

The Council asked questions and discussed the information that was presented.

Council expressed general support for the increase, noting that while modest relative to the City's overall budget, the additional funding would be significant for the nonprofit organizations that rely on it.

4. Cost Allocation Plan Update

Finance Director Chantell Steiner presented a comprehensive redline draft update to the City's cost allocation plan policy, the first such update since 2019. The revisions reflect changes in staffing, new positions created since the last update, and the need to remain compliant with

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auditing standards. All department directors and managers participated in the review, with staff going through the document approximately six times. The plan governs how personnel costs are distributed across City funds, using methods such as direct allocation of time for specialized roles and proportional allocation based on operational expenditures for senior staff whose work spans multiple funds.

The Council asked questions and discussed the information that was presented.

Finance Director Steiner indicated her intent to bring the final resolution for formal action at the July 14, 2026 Council meeting.

Study Session adjourned at 6:49 PM.

APPROVED

Signed by:

Anne Hessburg

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Anne Hessburg
Mayor Pro Tempore

ATTEST

Signed by:

Andrea Fischer

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Andrea Fischer
City Clerk