



# City of Chelan

**City Council Workshop Meeting  
June 2, 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 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 AND ROLL CALL**

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

**2. AGENDA CHANGES**

None.

**3. SPECIAL PRESENTATION, PROCLAMATION, AND AWARDS**

**A. Main Street Week Proclamation**

Mayor McCardle proclaimed June 8-14, 2026 as Main Street Week in Chelan.

**4. PUBLIC HEARING**

**A. Resolution No. 2026-14XX 2027-2032 Six-Year Transportation Improvement Program**

The public hearing opened at 5:19 p.m.

Public Works Director Youngren outlined the Washington State requirements for maintaining the STIP and noted minor revisions made following the May 26, 2026 meeting.

Tammy Hague, resident of Chelan, requested additional information regarding the proposed changes to the Lakeside area.

Lynette Grandy, resident of Chelan, requested the total costs reflected on the spreadsheet be reviewed for accuracy.

The public hearing closed at 5:41 p.m.

## 5. WORKSHOP DISCUSSION TOPICS

### A. Policy Level Discussion and Housing Grant Funding

Finance Director Evans reviewed the current structure and funding source of the Affordable Housing Fund (Fund 105), including the current limitations and varying levels of flexibility. She requested Council direction on a proposed policy intended to expand flexibility across funding sources and eligible expenditures. Following discussion, Council directed staff to proceed with drafting the proposed policy.

### B. Development Regulations

Community Development Director Ajax shared that the department is updating development regulations in conjunction with the Comprehensive Plan update and to comply with requirements under the Washington State Growth Management Act (GMA). Key updates included: ensuring that emergency shelters and supportive, transitional, and emergency housing are not regulated more restrictively than other residential uses; facilitating the development of housing within existing buildings; and updating Critical Areas regulations to align with state requirements and best available science for the protection of environmentally sensitive and hazardous areas, including wetlands, fish and wildlife habitat, steep slopes, flood-prone areas, and aquifer recharge areas. The adoption deadline is June 30, 2026. The Planning Commission will hold a public hearing and provide a recommendation to the City Council.

### C. Short Term Rental Cap

Community Development Director Ajax presented a map illustrating the concentration of short-term rentals and requested Council direction on whether to retain the existing Chelan Municipal Code or direct staff to develop a draft proposal establishing a short-term rental cap. Following discussion, Council directed staff to prepare a draft outlining the short-term rental cap in the Downtown Mixed Use (DMU), Highway Service Commercial (C-HS), and Tourist Mixed Use (TMU) zones, as well as a draft of a potential moratorium.

### D. Public Works Project Status Update

Public Works Director Youngren introduced a new feature on the Public Works website, "Building Chelan Together", providing a breakdown of how projects become a reality, building for the long term, staying informed and getting involved, frequently asked

questions and Build with us.

Public Works City Engineer Denham presented a project status update using the story map website. Projects that were discussed were as followed: Airport Waterline Project, Washington Street Booster Pump Station, East Chelan Reservoir Design, Submarine Waterline Replacement, Riviera Drive Watermain Replacement, Boyd and Pinnacle Infrastructure Updates, Clifford Watermain Upsize Contribution, State Route 150 Sewer Mainline Replacement, Lift Station No. 1 and 3 Improvements, Lift Station No. 9 Demo and Removal, Anderson Road Sewer Line Installation, Transfer Station Bypass Valve, Lakeside Trail, Sanders Street Pedestrian Improvements, Farnham and Webster Pedestrian Improvements, Woodin and Center Pedestrian Improvements, Apple Blossom Trail, Johnson and Emerson rectangular rapid flashing beacon (RRFB) Replacement, Recycle Center, Equipment Bay Enclosure, and Miscellaneous Projects.

## 6. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

### City Administrator McAloon

Mentioned she has been working for the City for five (5) months now.

### City Clerk Gallucci

None.

### Community Development Director Ajax

None.

### Finance Director Evans

Stated the Annual Report for the Lake Chelan Sewer District, the Airport and the City have all been filed.

### HR/Communications Director Coltman

Shared the Finance Department has an open position that has been posted for two (2) days and has already received 22 applications. The position will remain open for three (3) weeks. He also shared the Airport Operations Manager Lerma had passed away.

### Parks and Recreation Director Cooper

Provided a recap of the Parks and Recreation Advisory Board special meeting held on Monday, June 1, 2026. The Board expressed interest in holding a joint special meeting with the City Council on Thursday, June 18, 2026, at 5:15 p.m. Council was also reminded of the ribbon cutting ceremony scheduled for June 15, 2026, at 6:00 p.m. Additionally, it was noted that Lake Chelan graduates are hosting a safe and sober graduation event at the putting course.

### Public Works Director Youngren

None.

7. MAYOR AND COUNCIL COMMENTS

Mayor McCardle

Reflected on her memories with Airport Operations Manager Lerma, expressed appreciation for Council's thoughtful conversations and clear direction, and invited the community to former Mayor Goedde's retirement and 80th birthday celebration on June 14, 2026.

Councilmember Benegas

Reflected on the conversations held tonight, noting the City is always moving forward.

Councilmember Chitty

None.

Councilmember Collins

Expressed appreciation to those who provided public comment and thanked Community Development Director Ajax for providing clear explanations that help improve understanding of his department's terminology.

Councilmember Higgins

None.

Councilmember Hollingsworth

None.

Councilmember Rivera-Vargas

None.

Councilmember Sanders

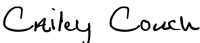
Reflected on the discussions held tonight, expressed appreciation to those who provided public comment, and requested additional information regarding the security schedule at City parks.


8. ADJOURNMENT

The meeting was adjourned at 7:24 P.M.

Date Approved:

June 09, 2026

Signed by:  
  
D0BFB4938C5D404...  
**Cailey Couch**  
Deputy City Clerk

Signed by:  
  
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**Erin McCardle**  
Mayor

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Erin McCardle  
 mayor@cityofchelan.us  
 Mayor  
 City of Chelan  
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