



City of Chelan

**City Council Workshop Meeting
August 4, 2026**

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Mayor Pro Tem:

Tim Hollingsworth

Councilmembers:

Agustin Benegas

Brad Chitty

Shane Collins

Jon Higgins

Cesar Rivera-Vargas

Terry Sanders

Administrative Personnel:

City Administrator Laura McAloon

Deputy City Clerk Cailey Couch

Community Development Director John Ajax

Finance Director Heidi Evans

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. WORKSHOP DISCUSSION TOPICS

A. 2027 Budget Workshop No. 1

Finance Director Heidi Evans presented the 2027 economic outlook and revenue projections, highlighting national, state, and local economic trends, inflationary pressures, housing market conditions, and potential impacts on City revenues. Discussion included proposed revenue assumptions for the General Fund, Lodging Tax, Parks Fund, Golf Fund, and utility funds, as well as economic challenges facing municipalities statewide. Council reviewed the projections and directed staff to take a conservative approach in developing the proposed 2027 budget.

B. Resolution No. 2026-14XX Affordable Housing Grant Funding Policy

Finance Director Evans continued discussion regarding the Housing Grant Funding Policy

and presented a revised policy and application incorporating feedback from Council, affordable housing organizations, and the City Attorney. The proposed updates clarify eligible funding sources, applicable restrictions, and potential protections for the City, such as deed restrictions and performance measures. Staff also reviewed the Affordable Housing Fund's primary revenue sources and noted that state-shared housing tax revenues are the most restricted, while developer and Council-designated contributions offer greater flexibility under the Council's final policy.

C. Short Term Rental Discussion

Community Development Director Ajax provided a follow up from Council's direction during the June 2, 2026 meeting regarding a potential cap on short-term rental licenses within the Downtown Mixed Use (DMU), Tourist Mixed Use (TMU), and Highway Service Commercial (C-HS) zoning districts. He reported there are currently approximately 28 active licenses across the three (3) districts and presented a preliminary option to establish a cap of 50 licenses. Outlined considerations supporting a cap of 50, including creating a defined limit while allowing for future growth and avoiding impacts on existing operators, as well as concerns that a cap at that level would permit significant expansion beyond current license counts.

D. Public Works Project Status Update

Public Works Director Youngren presented a project status update with the City's StoryMap platform and reviewed the status of the following projects: State Route 150 Highway Sewer Mainline Replacement, Sanders Street Pedestrian Improvements, Lift Station No. 1 Improvements, Anderson Road Sewer Line Installation, Submarine Waterline Replacement, Recycle Center, Washington Street Booster Pump Station, Farnham Street and Webster Avenue Pedestrian Improvements, Woodin Ave and Center Street pedestrian Improvements, East Chelan Reservoir Design.

4. CITY ADMINISTRATOR AND DEPARTMENT REPORTS

City Administrator McAloon

Reported Sheriff Morrison authorized overtime patrols on the Woodin Avenue bridge as a response to the community's concerns regarding the bridge jumping, which resulted in several citations. She also recognized City directors and Finance Director Evans for their work as the City begins the 2027 budget process.

Community Development Director Ajax

None.

Finance Director Evans

Echoed the City Administrator's appreciation for City staff support through the budget process and noted that August 5, 2026, marked her one-year anniversary with the City.

Parks and Recreation Director Cooper

Recognized Parks staff for their continued work in these smoky conditions and reported final work at Lakeside Park is nearing completion.

Public Works Director Youngren

None.

5. MAYOR AND COUNCIL COMMENTS

Mayor Pro Tem Hollingsworth

Expressed appreciation for the opportunity to serve in the Mayor's absence and thanked City staff for their reports and fellow Councilmembers for the dialogue on the evening's agenda topics. He provided a recap of a recent meeting in Entiat regarding fire preparedness and noted that fire response resources are expected to remain in the region throughout the season. He also thanked the Chelan County Sheriff's Office for its continued community patrol efforts.

Councilmember Benegas

Thanked Public Works Director Youngren for the recent water and wastewater treatment plant tour and congratulated Finance Director Evans on reaching one-year with the City.

Councilmember Chitty

Thanked City staff and expressed appreciation for the upcoming budget process.

Councilmember Collins

Thanked City staff for their work and presentations.

Councilmember Higgins

Echoed appreciation to City staff and firefighters for their continued efforts.

Councilmember Rivera-Vargas

None.

Councilmember Sanders

Expressed gratitude to firefighters and first responders for their service and thanked City staff and fellow Councilmembers for the dialogue on the evening's agenda topics. Also commended Mayor Pro Tem Hollingsworth for his leadership during the meeting.

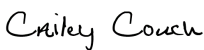
6. ADJOURNMENT

MOTION:	Move to adjourn the meeting.
MOVER:	Councilmember Shane Collins

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

The meeting was adjourned at 6:48 P.M.

Date
Approved: August 11, 2026

Signed by:

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Cailey Couch
Deputy City Clerk

Signed by:

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Erin McCardle
Mayor

Certificate Of Completion

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Signer Events

Erin McCardle

mayor@cityofchelan.us

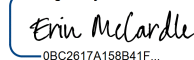
Mayor

City of Chelan

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Signature

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Cailey Couch

caileyc@cityofchelan.gov

Acting, City Clerk

City of Chelan

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Security Checked

8/12/2026 8:25:18 AM

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