CITY OF MANITOU SPRINGS
CITY COUNCIL
Regular Meeting Minutes
606 Manitou Avenue
January 20, 2026

The City Council of Manitou Springs met in Regular Session on Tuesday, January 20, 2026, at 606 Manitou Avenue, in the City of Manitou Springs, County of El Paso, and State of Colorado.

COUNCIL MEMBERS PRESENT FOR ROLL CALL:

Mayor Natalie Johnson
Mayor Pro Tem Judith Chandler
Councilor John Shada
Councilor Julie Wolfe
Councilor Nate Nassif
Councilor Carey Storm
Councilor Gloria Latimer

A. CALL TO ORDER

Mayor Johnson called the meeting to order at 6:00 PM.

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

C. ROLL CALL

All members of the City Council were present for the roll call.

D. APPROVAL OF AGENDA

Councilor Storm moved to approve the agenda as presented. The motion was seconded by Mayor Pro Tem Chandler The motion carried unanimously (7-0).

E. PUBLIC COMMENT ON NON-AGENDA ITEMS

Andrea Sutela, Incline Friends Board Treasurer, shared that Incline Friends is part of a non-profit dedicated to maintaining and sustaining the Incline. She announced that Incline Friends will be donating $1,000 to the Manitou Springs Fire Department as a show of gratitude.

David Wolverton, 213 Pilot Knob Avenue, inquired about waiving emergency fees for rescues on the Incline. He stated that he does not believe the City should waive fees for emergency services on the Incline as Manitou Springs residents contribute a lot to the Colorado Springs tax base via goods and services through medical services, big box stores, and groceries. He added that rescues on the Incline cost Manitou Springs a lot in assets and personnel.

Brenda Biondo, 517 Crystal Hills Boulevard, thanked Parks and Recreation Director Gillian Rossi for her efforts to find an alternative to the rodent poison bait stations that the City has been using for the last few years. She explained that the poisoned rodents stay alive for three to five days and any animal that eats a poisoned mouse would also be poisoned. She suggested that the City put something in the newsletter about the switch to a less lethal poison, so that residents and businesses could be more informed.

Cory Sutela, on behalf of the Medicine Wheel Trail Advocates, welcomed the new City Council and shared that the board is excited to continue their partnership with the City. He reflected on some productive trail workdays from the past year, particularly on the Intemann Trail.

F. CONSENT CALENDAR

1. Presentation of Warrants
2. January 6, 2026 City Council Regular Meeting Minutes
3. Hiawatha Gardens Phase 1 Parking Lot and Restroom Structure – Fransen Pittman Contract Guaranteed Maximum Price (GMP) Amendment – Construction GMP
4. Request to Change Keith Harper from an Alternate to a Regular Member of the City Planning Commission
5. Request to Change Megan Day from an Alternate to a Regular Member of the City Planning Commission
6. Request to Change Frank DeLay from an Alternate to a Regular Member of the City Planning Commission
7. Request to Reappoint Ann Nichols to the Manitou Springs Urban Renewal Authority Board

Mayor Pro Tem Chandler moved to approve the consent calendar as presented. The motion was seconded by Councilor Wolfe. The motion carried unanimously (7-0).

G. BUSINESS

1. Consider Appointing Nancy Fortuin to the Manitou Springs Urban Renewal Authority Board

Farley McDonough, Chair of the Urban Renewal Authority (URA) Board, noted Applicant Nancy Fortuin's recent five year service to the board as former Council Liaison and stated that she would bring a unique and valuable skill set to the URA.

Applicant Fortuin expressed appreciation to the Mayor for considering her application. She added that she has been impressed with the board's work during her service as Council Liaison.

Councilor Nassif moved to appoint Nancy Fortuin to the URA. The motion was seconded by Councilor Latimer. The motion carried unanimously (7-0).

2. Consider Appointing John Maynard to the Manitou Springs Urban Renewal Authority Board

URA Chair McDonough noted that Applicant John Maynard had previously served on the URA for several years and provided value as a dedicated member to the board through his skills and expertise around urban planning.

Councilor Storm moved to appoint John Maynard to the URA. The motion was seconded by Councilor Wolfe. The motion carried unanimously (7-0).

3. Approval of Audited 2024 Financials

Finance Director Rebecca Davis noted that the City's long-term debt had increased due to Colorado Water Resources and Power Development Authority loans taken on in 2024. She explained that there was a large amount of delayed maintenance and replacements that were needed for the water treatment plant. Director Davis added that there were a few smaller loans and a lease purchase agreement as well that contributed to the increase in long-term debt.

Audit Supervisor Emma Maslow with Hinklin Company CPAs reported that the December 31, 2024 Financial Statement Audit resulted in unmodified or clear opinions on the financial statements and Single Audit, with no significant deficiencies, material weaknesses, or instances of noncompliance identified. She noted no audit difficulties or disagreements with management.

There was a brief discussion about closing entries noted during the presentation, to which Audit Supervisor Maslow explained that the closing entries were to make minor corrections, not material to the audit. This was followed by a brief discussion about the typical cost of audits, during which Audit Supervisor Maslow confirmed that Hinklin

Company CPAs did perform audits for the City during the last several years and that the $19,500 cost is consistent with what has been charged previously.

Councilor Storm moved to approve the Audited 2024 Financials. The motion was seconded by Councilor Latimer. The motion carried unanimously (7-0).

4. <u>Public Engagement for 2026/2027 Budget and Approval of a COLA</u>

Finance Director Davis reviewed the current financial position, noting that the 2026 budget was approved in October 2025 with the addition of an assigned fund balance to include $690,000 for fire mitigation. She emphasized that while the City's fund balance is healthy, continuing to spend it down is not a suitable practice. She added that it is prudent that smaller cities have a larger fund balance than the 17% of operating expenditures recommended by the Government Finance Officers Association (GFOA), particularly when a large percentage of funding comes from one source. She stated that Manitou Springs is at 36% for the end of 2026. Director Davis explained that City staff was able to cut $700,000 from the budget, but an increase in insurance costs has offset this. Additionally, changes in medical insurance saved the City $100,000.

Susan Watkins, Community Engagement Consultant, explained that the proposed community engagement approach aligns with the City's adopted public engagement plan and emphasized the importance of involving residents in budget decisions that directly affect them. She outlined that effective engagement should focus on building informed judgment rather than uninformed opinion, with City Council clearly defining the problem, identifying non-negotiable constraints, and committing to using the results of the process. Ms. Watkins recommended a well-promoted, multi-method approach that includes community workshops, online surveys, and outreach to businesses, boards and commissions, and City employees to gather broad and reliable input. She noted that providing clear information, opportunities for clarification, and structured discussion among participants helps residents understand complex budget issues and develop shared priorities. She concluded that, while such a process requires time and preparation that would likely extend the process out to June of 2026, it could potentially be completed within two to three months and would result in meaningful, actionable guidance for Council's budget decisions.

There was a brief discussion about the number of participants for community engagement meetings in person, during which Consultant Watkins confirmed that historically in the City, the number of participants ranged depending on the project from about 30 to 65 participants. She recommended that the City conduct four community engagement meetings to maximize numbers.

There was a brief discussion about the diversity of community engagement. Consultant Watkins advised mixing participants with different perspectives would provide better results. Additionally, she highlighted that a community engagement process results in increased trust in city government and city government leaders, adding that this has been documented in multiple communities.

Councilor Storm noted that not everyone uses social media or looks at emails and suggested that the City could potentially mail something to receive input. She inquired about the consistency of the process when participants would be receiving information through different means, such as in person or online.

Consultant Watkins noted that the results would be kept separately from the meetings and surveys and explained that there would be a summary at the beginning of the survey before questions are answered to provide a basis of information.

Mayor Pro Tem Chandler noted that she is on record as voting against the approval of the 2026 Budget during first reading due to her frustration with the process, and that she voted to approve the 2026 Budget on second reading due to her strong support for the newly established assigned fund balance for fire mitigation. Mayor Pro Tem Chandler stated that while she is happy to be discussing community engagement, she had hoped that the subject would be discussed during a work session to allow for a more collaborative process with Council input from the start. She emphasized the need for a sufficient amount of data and participation while keeping the cost low, and suggested a hybrid approach, noting a previous online survey generating significant results with over 500 responses. She added that she would like to complete the process in less than three months.

Consultant Watkins stated that a hybrid approach is recommended. She added that a consultant would act as neutral facilitator to conduct meetings, as well as compile and analyze results. She estimated the process would be about $25,000.

There was a discussion about whether four workshops for in person engagement would be necessary, to which Consultant Watkins advised that if the City holds more workshops they will provide people with more opportunities to get engaged, which will lead to more reliable results.

Councilor Wolfe expressed frustration with the 2026 Budget approval process, commenting that Council was unable to review the budget in detail for budget cuts. She objected to waiting until June to address the issue, expressed support for Councilor Storm’s previous suggestion to send out postcards, and suggested conducting an online survey, without in-person workshops, to complete the process sooner and save funds. Councilor Wolfe stated that the proposed plan was too extensive and that there is an urgent need for budget cuts through an expedited process.

Councilor Latimer suggested that the process could be reduced, potentially by hiring a professional to develop an online survey to be able to move forward with the budget now and allow for a more in-depth process later.

Mayor Pro Tem Chandler expressed support for an online survey and saving in-person community engagement for later.

Councilor Storm agreed with the suggested online survey and emphasized that participation from local businesses would be crucial to the process.

Councilor Wolfe supported Councilor Latimer's suggestion and added that a more in-depth community engagement process for the 2027 budget could be started in October or November of 2026.

Councilor Nassif stated that his expectation is that City Staff would create an implementation plan for the Council to review and potentially fund.

Mayor Johnson agreed that she was willing to give the process more time to allow staff to present a plan.

Councilor Wolfe commented that City Staff did provide input, and that she suggested something different. She added that the community was notified that if Ballot Issue 2A did not pass, which it did not, then the City would be cutting services.

City Administrator Howell stated that the presentation was provided based on the direction of City Council to consider a community engagement process.

Councilor Wolfe moved to direct City Staff to issue a Request for Proposal (RFP) for an online survey for the 2026 Budget. The motion died due to lack of a second.

Mayor Johnson moved to postpone the 2026 Budget community engagement discussion to the February 3, 2026 City Council agenda. The motion was seconded by Mayor Pro Tem Chandler. The motion carried (6-1) with Councilor Wolfe as the dissenting vote.

Note for the Record – The City Council took a break at 7:30 PM and reconvened at 7:41 PM.

City Administrator Howell explained that the Cost of Living Adjustment (COLA) request is for a 2% increase for all staff, excluding senior leadership. She added that senior leadership voted to prioritize frontline and operational staff. If approved that increase would take effect immediately and reflect on staff's next paycheck.

Councilor Shada commented that a COLA increase would change the budget and suggested that an ordinance would be required to amend the budget, allocating funds for a COLA increase.

Finance Director Davis explained that the $100,000 savings from the change in medical insurance is still allocated and currently over budgeted, which would cover the 2% increase for frontline staff. She clarified that the funds would stay under the same section of the budget, because the budget is appropriated by departments in the General Fund, not by account line.

There was a discussion about whether an ordinance would be needed to approve the COLA request, during which City Attorney Parker advised that if a line item in the Exhibit A section of the ordinance would be updated then a new ordinance would be needed.

There was a brief discussion about the leadership that would be excluded from the increase. City Administrator Howell confirmed that department heads, the Police Department Commander and the Fire Department Captain would be excluded.

Councilor Nassif inquired if the City has considered merit increases and if the increases could be retroactive. It was confirmed that the Council could consider these options when approving increases in pay.

Councilor Wolfe commented that the COLA increase is a part of the budget and that it should be discussed as part of the larger budget.

Mayor Pro Tem Chandler stated that she is conflicted, as she would like to be able to approve an increase, but she is concerned about the larger budget. She agreed with Councilor Wolfe that the discussion should be part of the larger budget discussion

Councilor Storm acknowledged the importance of maintaining mission critical employees and concerns about the current financial situation. She stated that she would prefer to vote on the COLA increase as upcoming budget cuts may impact employee retention.

Councilor Nassif agreed with Councilor Storm. He expressed interest in receiving additional information regarding potential merit increases for senior leadership.

City Administrator Howell stated that she would love to be able to offer merit increases for senior leadership, but the concern is focused on retaining employees working long hours in the field and leadership expressed a desire to support frontline staff as well.

Councilor Wolfe requested additional information regarding employee hourly rates, specifically what the lowest rate is. She indicated that for those who are receiving a lower hourly rate, a 2% increase will have very little impact, but for those with larger salaries, the increase would be greater.

Mayor Johnson made a motion to move forward with drafting an ordinance to amend the budget for the requested 2% COLA increase for the February 3, 2026 City Council meeting. The motion was seconded by Councilor Latimer. The motion carried (6-1), with Councilor Wolfe as the dissenting vote.

5. First Reading of Ordinance No. 0226, An Ordinance of the City of Manitou Springs, Colorado, Amending Provisions in Chapter 12.04 of the Manitou Springs Municipal Code to Modify How Encroachments Into City Rights-Of-Way and Other City Owned or Controlled Property are Processed for Review and Approval

Planning Director Fred Rollenhagen explained that the proposed ordinance creates a process for reviewing unintentional encroachments on City property or right-of-way. The ordinance defines these encroachments, requires City Council review, outlines application and approval procedures, and allows the City to require compensation. Director Rollenhagen noted the main change since the January 13 Work Session is that all such encroachments must now go before City Council.

There was a brief discussion about an appeal process, during which Director Rollenhagen confirmed that there was no appeal process included in the ordinance because the existing inadvertent encroachments would go directly to the City Council. City Attorney Parker clarified that City Council decisions are appealed through the District Court.

Councilor Nassif stated that he believes encroachments should be handled at an administrative level and expressed support for establishing an appeal process. He added that he is comfortable with easements coming to the City Council.

Councilor Shada expressed concern that an administrative process lacks transparency.

Councilor Wolfe noted that sending encroachments to the City Planning Commission (CPC) was previously discussed and that Director Rollenhagen had confirmed that encroachments didn't fit the purview of the Commission.

Councilor Nassif acknowledged that CPC was considered previously and confirmed that his current position would be to support an administrative process for encroachments, with an appeal process.

There was a discussion about the difference between various types of encroachments. City Attorney Parker explained that temporary encroachments are 90 days or less, minor encroachments don't impede on vehicular or pedestrian traffic or interfere with City property, and major encroachments are anything but minor or temporary. He confirmed that there is a different approval process in the proposed ordinance for major encroachments than what is proposed for existing inadvertent encroachments.

Councilor Wolfe stated that her understanding was that all encroachments excluding temporary encroachments would come to the City Council. She expressed concern about transparency in the process.

Director Rollenhagen explained that adding other encroachments beyond focusing on the existing inadvertent encroachments, would increase the workload. He shared an example that Public Services routinely approves encroachments for utilities work in City rights-of-way under the authority of Title 12.

There was a discussion regarding modified language in Section 12.04.050. City Attorney Parker explained that the revisions were intended to clarify final approval authority, which had not been clearly specified. He noted that easements are typically permanent and therefore appropriately require City Council approval, while revocable license agreements are more minor and suitable for approval by the City Administrator. He added that the clarification aligns with long-standing practice for routine right-of-way and utility matters and was included to ensure consistency alongside the new inadvertent encroachment provisions. He clarified that the existing inadvertent encroachment would be considered its own category and that the other types are encroachments that residents would apply for, before encroaching.

Councilor Latimer moved to approve on first reading Ordinance No. 0226, An Ordinance of the City of Manitou Springs, Colorado, Amending Provisions in Chapter 12.04 of the Manitou Springs Municipal Code to Modify How Encroachments Into City Rights-Of-Way and Other City Owned or Controlled Property are Processed for Review and Approval, as amended to include an appeals process to appeal administrative decisions regarding non-inadvertent encroachments to the City Council and set a public hearing for February 3, 2026 at 6:00 PM. The motion was seconded by Mayor Johnson. The motion carried unanimously (7-0).

6. <u>First Reading of Ordinance No. 0126, An Ordinance of the City of Manitou Springs, Colorado, adding a New Chapter 3.55 to the Manitou Springs Municipal Code to Implement a Cost Recovery Mechanism for Emergency and Non-Emergency Services Provided by the Manitou Springs Fire Department</u>

Fire Chief Keith Buckmiller presented the ordinance.

There was a discussion about the fee schedule, during which Fire Captain Randy Perkins confirmed that the Fire Department currently only charges for traffic accidents. He explained that there is a base rate for traffic accidents, and that if the situation requires hazmat, then the fee goes up. He clarified that only parties at fault are charged, and that the proposed ordinance is only for cost recovery from insurance companies, not drivers.

Councilor Shada suggested that the ordinance be retitled to more accurately reflect the purpose. He stated that the current title is too broad and requested that the fee schedule be included in the meeting materials for second reading.

There was a brief discussion about whether the fee schedule would be attached to the ordinance, during which City Attorney Parker clarified that the fee schedule would not be attached, because it is approved by resolution. He also explained that the City sets the fees that the third party is allowed to charge.

Fire Chief Buckmiller explained that the intent of the ordinance was to capture funds that have already been allocated in people's insurance policies, and if those funds do not get expended to the agencies that respond to the accident, then it becomes a profit of the insurance carrier.

There was a brief discussion about a potential scenario in which a driver doesn't have vehicular insurance. It was confirmed that the driver would not be personally liable in relation to the cost recovery under the ordinance.

Councilor Wolfe moved to approve on first reading First Reading of Ordinance No. 0126, An Ordinance of the City of Manitou Springs, Colorado, adding a New Chapter 3.55 to the Manitou Springs Municipal Code to Implement a Cost Recovery Mechanism for Emergency and Non-Emergency Services Provided by the Manitou Springs Fire Department, as amended to reflect that only car insurance or vehicle insurance carriers will be liable for any cost recovery and schedule the second reading and public hearing for February 3, 2026. The motion was seconded by Councilor Shada. The motion carried unanimously (7-0).

H. RECEIVE OR ACT ON COUNCIL CORRESPONDENCE

Councilor Wolfe shared that a resident complained about guest pass fees associated with the Residential Parking Permit (RPP) Program. She requested clarification on the fees associated with obtaining a third guest pass. She stated that she has gotten a third guest pass for free in the past and suggested eliminating the fee if there is one.

Mayor Pro Tem Chandler shared that her experience with the new water meter installation program was excellent. She also announced that the Colorado Municipal League is hosting a legislative update in Denver, on February 19, 2026.

Councilor Nassif stated that the Martin Luther King Jr. event at the Manitou Art Center was a well-organized event with a positive reflection on the community.

Councilor Latimer shared that the Route 33 bus has been idling along the El Paso Boulevard for long periods of time, 10 to 15 minutes, and people have questioned why the engine is not turned off during these stops. She announced that there is a Chat with the Chamber event at the Balanced Rock Café, on January 21, 2025 at 8:30 AM.

Mayor Pro Tem Chandler requested a separate spreadsheet of the $700,000 that was already cut from the City budget by staff.

There was a brief discussion about scheduling a strategic retreat during which a retreat was tentatively scheduled for February 28, 2026.

Mayor Johnson announced that the Vote Yes on the Dissolution of the Metropolitan District Committee is having an event at the Library on Saturday, January 24, 2026 from 2:00 PM to 4:00 PM.

I. CITY ADMINISTRATOR REPORT

There was nothing to report.

J. EXECUTIVE SESSION

1. An Executive Session to hold conference with the City Attorney for legal advice pursuant to Section 5.1(c) of the City of Manitou Springs Home Rule Charter concerning *Manitou and Pikes Peak Railway Company v. City of Manitou Springs, Colorado,* El Paso County District Court Case No. 2025CV30766

2. An Executive Session to hold a conference with the City's attorneys for legal advise pursuant to Section 5.1(c) of the City of Manitou Springs Home Rule Charter, concerning the dissolution of the Manitou Springs Metropolitan District

Mayor Johnson read the purpose of the Executive Session into the record at 8:56 PM.

Mayor Pro Tem Chandler moved to enter the Executive Session for the stated purpose. The motion was seconded by Councilor Shada. The motion carried unanimously (7-0).

The City Council moved back to Regular Session at 10:29 PM. Mayor Johnson confirmed the Executive Session was held solely for the stated purpose and that no formal decision was made.

ADJOURN

With no other items to discuss, Mayor Johnson adjourned the meeting at 10:30 PM.

Natalie Johnson, Mayor

Attest:

Elena Krebs, City Clerk

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