MANITOU SPRINGS CITY COUNCIL
REGULAR MEETING AGENDA

City Council meetings are held in hybrid form by Zoom (remote) or in-person at Memorial Hall.
Memorial Hall
606 Manitou Avenue
Manitou Springs, CO 80829
Remote: www.manitouspringsgov.com; click on meeting link under "Government; City Council" page

Position	Name	Term Expires
Mayor	Natalie Johnson	January 4, 2028
At-Large	Mayor Pro Tem Judith Chandler	January 4, 2028
At-Large	John Shada	January 4, 2028
At-Large	Julie Wolfe	January 4, 2028
Ward 1	Nate J Nassif	January 8, 2030
Ward 2	Carey Storm	January 8, 2030
Ward 3	Gloria Latimer	January 8, 2030

January 20, 2026 **6:00 PM**

THE CITY COUNCIL MAY TAKE ACTION ON ANY OF THE FOLLOWING AGENDA ITEMS AS PRESENTED OR MODIFIED PRIOR TO OR DURING THE MEETING, AND ITEMS NECESSARY TO EFFECTUATE THE AGENDA ITEMS

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. APPROVAL OF AGENDA

E. PUBLIC COMMENT ON NON-AGENDA ITEMS

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 Regular Member of the City Planning Commission

5. Request to Change Megan Day from an Alternate to Regular Member of the City Planning Commission

6. Request to Change Frank DeLay from an Alternate to Regular Member of the City Planning Commission

7. Request to Reappoint Ann Nichols to the Manitou Springs Urban Renewal Authority Board

G. BUSINESS

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

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

3. Approval of Audited 2024 Financials

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

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

6. 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

H. RECEIVE OR ACT ON COUNCIL CORRESPONDENCE

I. CITY ADMINISTRATOR REPORT

J. EXECUTIVE SESSION

1. An Executive Session to hold a 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 advice pursuant to Section 5.1(c) of the City of Manitou Springs Home Rule Charter, concerning the dissolution of the Manitou Springs Metropolitan District

ADJOURN

The City of Manitou Springs does not discriminate on the basis of disability in the admission to, access to, or operations of programs, services or activities. Reasonable accommodation will be provided to ensure equal access to all. Individuals who would like to request auxiliary aids or services should contact the ADA Coordinator at (719) 685-5481 or jfryer@manitouspringsco.gov. You may also contact the City Clerk's Office at cityclerk@manitouspringsco.gov or (719) 685-2554. Please provide a minimum of 3-5 days advance notice.

Memorandum

Title: Presentation of Warrants
From: Rebecca Davis, CPFO, Finance Director
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 5 Minutes

January 20, 2026

Purpose:
To present warrants, written from December 1, 2025, through December 31, 2025, to City Council.

Background:
City Code 4.2. Powers and duties of Council
...the Council shall have the responsibility and power to:
(d) Prepare and administer an annual budget, and post monthly in City Hall and make available to the public the line by line expenditures authorized by the council.

Fiscal Impact:
Total checks written: 224
Total amount: $2,001,991.15

Workload Impact:
Minimal.

Recommended Action:
Acknowledge presentation of the warrants by approval of the Consent Calendar.

Report Criteria:
Report type: Summary
Check.Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount	
12/25	12/02/2025	22054	615	CARDMEMBER SERVICE	10-202-100	12,283.49	M
12/25	12/23/2025	22056	615	CARDMEMBER SERVICE	55-202-100	7,506.32	M
12/25	12/29/2025	22057	615	CARDMEMBER SERVICE	10-202-100	2,693.63	M
12/25	12/17/2025	252180	20221178	WILKINSON, DAVID	01-202-100	129.46-	V
12/25	12/09/2025	252342	177	COLORADO SPRINGS UTILITIES	10-202-100	31.78-	V
12/25	12/03/2025	252423	170	CIRSA	52-202-100	121,301.37-	V
12/25	12/09/2025	252446	20200287	SHELDON'S AUTO REPAIR	10-202-100	150.00-	V
12/25	12/05/2025	252452	160177	CREATIVE ALLIANCE MANITOU SPRINGS	25-202-100	1,564.00-	V
12/25	12/09/2025	252514	270	LEXIPOL LLC	10-202-100	11,036.08-	V
12/25	12/09/2025	252596	177	COLORADO SPRINGS UTILITIES	55-202-100	59,837.76-	V
12/25	12/05/2025	252597	160177	CREATIVE ALLIANCE MANITOU SPRINGS	25-202-100	860.00-	V
12/25	12/05/2025	252625	160025	PRODUCTION PRINTING D11	52-202-100	1,034.50-	V
12/25	12/17/2025	252631	20221095	WSP USA INC	52-202-100	4,052.50-	V
12/25	12/02/2025	252665	20221186	633 CONSTRUCTION LLC	54-202-100	9,791.00	
12/25	12/02/2025	252666	787	AFFORDABLE FLAGS	39-202-100	1,212.30	
12/25	12/02/2025	252667	145724	AMAZON CAPITAL SERVICES	10-202-100	162.23	
12/25	12/02/2025	252668	500	BARNHART PUMP COMPANY, INC.	52-202-100	973.56	
12/25	12/02/2025	252669	1410	BOBCAT OF THE ROCKIES	10-202-100	217.80	
12/25	12/02/2025	252670	358	BOUND TREE MEDICAL,LLC.	10-202-100	147.68	
12/25	12/02/2025	252671	726	BURLAP BAG	52-202-100	200.00	
12/25	12/02/2025	252672	848	CENTURYLINK	10-202-100	67.05	
12/25	12/02/2025	252673	20221205	CHRISTINE, MATT	39-202-100	900.00	
12/25	12/02/2025	252674	384	CLEARWAY ENERGY GROUP	10-202-100	3,044.94	
12/25	12/02/2025	252675	1124	CLEARWAY ENERGY GROUP LLC	52-202-100	2,716.16	
12/25	12/02/2025	252676	145514	CRAIG'S POWER EQUIPMENT	10-202-100	112.30	
12/25	12/02/2025	252677	1038	HARDING NURSERY	10-202-100	100.00	
12/25	12/02/2025	252678	436	HOME DEPOT CREDIT SERVICES	10-202-100	2,347.98	
12/25	12/02/2025	252679	144777	L.N. CURTIS & SONS	10-202-100	651.74	
12/25	12/02/2025	252680	43	LEGAL SHIELD	10-202-100	627.90	
12/25	12/02/2025	252681	145563	LIGHTNING BOLT, INC.	10-202-100	53.98	
12/25	12/02/2025	252682	202158	MACDOUGALL & WOLDRIDGE PC	52-202-100	607.50	
12/25	12/02/2025	252683	1009	MARCUS ELECTRIC LLC	10-202-100	950.00	
12/25	12/02/2025	252684	1118	MELCON COMMUNICATIONS LLP	10-202-100	3,050.00	
12/25	12/02/2025	252685	145606	MILE HIGH ACE HARDWARE	10-202-100	86.11	
12/25	12/02/2025	252686	20220421	POO FREE PARKS	10-202-100	479.97	
12/25	12/02/2025	252687	18922	PREFERRED DOCUMENT SOLUTIONS	10-202-100	57.49	
12/25	12/02/2025	252688	672	REMCO EQUIPMENT CO	52-202-100	931.36	
12/25	12/02/2025	252689	391	RICK'S GARDEN CENTER	10-202-100	11.04	
12/25	12/02/2025	252690	143	SCHMIDT CONSTRUCTION	10-202-100	351.00	
12/25	12/02/2025	252691	20200287	SHELDON'S AUTO REPAIR	10-202-100	314.22	
12/25	12/02/2025	252692	17001	STAPLES BUSINESS ADVANTAGE	10-202-100	113.97	
12/25	12/02/2025	252693	160263	TALL TIMBERS TREE & SHRUB SERVICE INC	39-202-100	9,975.00	
12/25	12/02/2025	252694	170078	TWIN BEARS	10-202-100	48.00	
12/25	12/02/2025	252695	20221157	WEST FORK CONSTRUCTION LLC	39-202-100	768,747.17	
12/25	12/02/2025	252696	1027	WESTERN PAPER DISTRIBUTORS, INC.	10-202-100	781.73	
12/25	12/02/2025	252697	20200273	WOLFCO COMMERCIAL SERVICES	10-202-100	160.00	
12/25	12/02/2025	252698	20200273	WOLFCO COMMERCIAL SERVICES	10-202-100	165.00	
12/25	12/02/2025	252699	20200273	WOLFCO COMMERCIAL SERVICES	10-202-100	100.00	
12/25	12/02/2025	252700	160160	WONG, MARK	10-202-100	7,433.51	
12/25	12/02/2025	252701	551	XEROX FINANCIAL SVCS/MARLIN LEASING CORP	10-202-100	1,442.75	
12/25	12/03/2025	252702	170	CIRSA	10-202-100	121,301.37	
12/25	12/05/2025	252703	144506	ADVANCE AUTO PARTS	10-202-100	574.19	
12/25	12/05/2025	252704	683	AFFEKTIVE SOFTWARE LLC DBA DIGIQUATICS	10-202-100	1,694.40	

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
12/25	12/05/2025	252705	37	AFLAC	10-202-100	34.40
12/25	12/05/2025	252706	145724	AMAZON CAPITAL SERVICES	10-202-100	473.37
12/25	12/05/2025	252707	145600	AMERICAN BATTERY CORPORATION	10-202-100	332.29
12/25	12/05/2025	252708	20220677	ARTAIC GROUP, LLC	39-202-100	17,355.85
12/25	12/05/2025	252709	125	CEM SALES & SERVICE	10-202-100	2,574.50
12/25	12/05/2025	252710	848	CENTURYLINK	10-202-100	306.62
12/25	12/05/2025	252711	170	CIRSA	10-202-100	1,371.73
12/25	12/05/2025	252712	160177	CREATIVE ALLIANCE MANITOU SPRINGS	25-202-100	2,424.00
12/25	12/05/2025	252713	20220017	CYBERSOURCE CORPORATION	55-202-100	548.00
12/25	12/05/2025	252714	20221163	DAVIS PARTNERSHIP, P.C.	26-202-100	48,427.95
12/25	12/05/2025	252715	20220883	DIVISION OF CHILD SUPPORT	10-202-100	312.00
12/25	12/05/2025	252716	144502	EON OFFICE PRODUCTS	10-202-100	85.18
12/25	12/05/2025	252717	432	GRAINGER	52-202-100	118.57
12/25	12/05/2025	252718	436	HOME DEPOT CREDIT SERVICES	10-202-100	200.03
12/25	12/05/2025	252719	15009	JR ENGINEERING LLC	53-202-100	1,387.50
12/25	12/05/2025	252720	160016	KIMLEY-HORN AND ASSOCIATES INC	23-202-100	4,968.08
12/25	12/05/2025	252721	20220267	LUCKY DOG CONTRACTING	10-202-100	570.47
12/25	12/05/2025	252722	145606	MILE HIGH ACE HARDWARE	10-202-100	78.08
12/25	12/05/2025	252723	20221086	NOMATIX	10-202-100	687.50
12/25	12/05/2025	252724	20220774	ORGANIC GARDENING SERVICES LLC	10-202-100	4,378.40
12/25	12/05/2025	252725	242	PETTY CASH - FINANCE	10-202-100	11.90
12/25	12/05/2025	252726	256	POSTMASTER	10-202-100	5,000.00
12/25	12/05/2025	252727	20221144	REMINGTON BUILDERS GROUP	39-202-100	209,236.50
12/25	12/05/2025	252728	20220387	STUTZMAN, KARA	10-202-100	800.00
12/25	12/05/2025	252729	20200156	T2 SYSTEMS CANADA INC	55-202-100	7,711.36
12/25	12/05/2025	252730	439	WALT'S TOWING	10-202-100	140.00
12/25	12/05/2025	252731	10065	WASTE CONNECTIONS	10-202-100	4,417.64
12/25	12/05/2025	252732	20221181	WHISTLE EXPRESS CAR WASH	10-202-100	35.00
12/25	12/09/2025	252733	144506	ADVANCE AUTO PARTS	10-202-100	168.66
12/25	12/09/2025	252734	145724	AMAZON CAPITAL SERVICES	10-202-100	1,437.51
12/25	12/09/2025	252735	20220677	ARTAIC GROUP, LLC	39-202-100	1,235.86
12/25	12/09/2025	252736	451	COLORADO ANALYTICAL LABORATORY	52-202-100	455.00
12/25	12/09/2025	252737	658	EL PASO COUNTY PUBLIC HEALTH LABORATORY	10-202-100	391.00
12/25	12/09/2025	252738	160344	FLAIR DATA SYSTEMS	10-202-100	3,579.00
12/25	12/09/2025	252739	1024	GOODYEAR AUTO SERVICE CTR	10-202-100	871.00
12/25	12/09/2025	252740	20221105	GRANITE TELECOMMUNICATIONS LLC	52-202-100	439.40
12/25	12/09/2025	252741	160255	LIFEMED SAFETY, INC.	10-202-100	320.00
12/25	12/09/2025	252742	187	O'REILLY AUTO PARTS / FIRST CALL	10-202-100	4.35
12/25	12/09/2025	252743	428	PERKINS MOTORS	10-202-100	93.72
12/25	12/09/2025	252744	138	PHIL LONG MOTOR CITY	10-202-100	2,977.40
12/25	12/09/2025	252745	10064	WASTE CONNECTIONS	10-202-100	522.39
12/25	12/09/2025	252750	229	MANITOU SPRINGS KIWANIS CLUB	10-202-100	176.34
12/25	12/09/2025	252751	20221086	NOMATIX	10-202-100	1,156.25
12/25	12/09/2025	252752	177	COLORADO SPRINGS UTILITIES	53-202-100	59,837.76
12/25	12/09/2025	252753	270	LEXIPOL LLC	10-202-100	11,036.08
12/25	12/09/2025	252754	20200287	SHELDON'S AUTO REPAIR	10-202-100	150.00
12/25	12/12/2025	252755	145724	AMAZON CAPITAL SERVICES	10-202-100	1,188.06
12/25	12/12/2025	252756	20220248	AQUATIC INFORMATICS INC	52-202-100	2,638.80
12/25	12/12/2025	252757	1410	BOBCAT OF THE ROCKIES	10-202-100	379.90
12/25	12/12/2025	252758	358	BOUND TREE MEDICAL,LLC.	10-202-100	927.76
12/25	12/12/2025	252759	310	COLORADO SPRINGS WINWATER	52-202-100	3,306.72
12/25	12/12/2025	252760	1806	COMCAST	55-202-100	209.85
12/25	12/12/2025	252761	163	COMPLETE LIGHTING OF COLORADO	52-202-100	8.64
12/25	12/12/2025	252762	642	CORE & MAIN LP	54-202-100	1,260.00
12/25	12/12/2025	252763	145514	CRAIG'S POWER EQUIPMENT	55-202-100	136.27
12/25	12/12/2025	252764	20221163	DAVIS PARTNERSHIP, P.C.	26-202-100	6,750.00
12/25	12/12/2025	252765	202119	EXPRESS SERVICES, INC.	55-202-100	233.28

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
12/25	12/12/2025	252766	681	HACH COMPANY	52-202-100	935.11
12/25	12/12/2025	252767	20220715	INTERNATIONAL PARKING & MOBILITY INSTITU	55-202-100	720.00
12/25	12/12/2025	252768	145563	LIGHTNING BOLT, INC.	55-202-100	4.64
12/25	12/12/2025	252769	56	LOWE'S	10-202-100	178.21
12/25	12/12/2025	252770	1009	MARCUS ELECTRIC LLC	55-202-100	578.00
12/25	12/12/2025	252771	746	MHC KENWORTH-COLORADO SPRINGS	10-202-100	90.53
12/25	12/12/2025	252772	145606	MILE HIGH ACE HARDWARE	55-202-100	151.89
12/25	12/12/2025	252773	20200300	MORENO, MARCUS	52-202-100	1,170.00
12/25	12/12/2025	252774	20221067	NTIVA ACCOUNTING DEPT	10-202-100	18,717.68
12/25	12/12/2025	252775	187	O'REILLY AUTO PARTS / FIRST CALL	10-202-100	35.90
12/25	12/12/2025	252776	242	PETTY CASH - FINANCE	10-202-100	11.90
12/25	12/12/2025	252777	160404	PIKES PEAK POLARIS	10-202-100	4,306.58
12/25	12/12/2025	252778	20221206	REYNOLDS, DAVID P	55-202-100	600.00
12/25	12/12/2025	252779	20221209	RIESTERER, MARK	10-202-100	600.00
12/25	12/12/2025	252780	855	ROCKY MOUNTAIN AIR SOLUTIONS	52-202-100	2,016.46
12/25	12/12/2025	252781	529	ROCKY MOUNTAIN RESERVE	10-202-100	148.75
12/25	12/12/2025	252782	145602	SITEONE LANDSCAPE SUPPLY	55-202-100	382.74
12/25	12/12/2025	252783	20200156	T2 SYSTEMS CANADA INC	55-202-100	81.50
12/25	12/12/2025	252784	20221114	VALET MANAGER INC	55-202-100	1,542.00
12/25	12/12/2025	252785	20220331	VERIZON CONNECT FLEET USA LLC	55-202-100	773.50
12/25	12/12/2025	252786	231	VERIZON WIRELESS	10-202-100	4,329.78
12/25	12/12/2025	252787	202195	WATTERS H20 SERVICES	52-202-100	5,688.75
12/25	12/12/2025	252788	1027	WESTERN PAPER DISTRIBUTORS, INC.	10-202-100	1,476.80
12/25	12/16/2025	252789	20221186	633 CONSTRUCTION LLC	54-202-100	98,141.84
12/25	12/16/2025	252790	20220677	ARTAIC GROUP, LLC	26-202-100	349.65
12/25	12/16/2025	252791	170007	BLUE360 MEDIA	10-202-100	1,281.83
12/25	12/16/2025	252792	144983	CINTAS FIRE	10-202-100	1,521.74
12/25	12/16/2025	252793	144290	CITY OF COLORADO SPRINGS	10-202-100	16,330.02
12/25	12/16/2025	252794	177	COLORADO SPRINGS UTILITIES	53-202-100	46,453.80
12/25	12/16/2025	252795	1806	COMCAST	54-202-100	439.78
12/25	12/16/2025	252796	144502	EON OFFICE PRODUCTS	10-202-100	85.18
12/25	12/16/2025	252797	15009	JR ENGINEERING LLC	53-202-100	647.50
12/25	12/16/2025	252798	160016	KIMLEY-HORN AND ASSOCIATES INC	23-202-100	2,850.00
12/25	12/16/2025	252799	160255	LIFEMED SAFETY, INC.	10-202-100	257.25
12/25	12/16/2025	252800	1118	MELCON COMMUNICATIONS LLP	10-202-100	3,050.00
12/25	12/16/2025	252801	143	SCHMIDT CONSTRUCTION	10-202-100	202.55
12/25	12/16/2025	252802	17001	STAPLES BUSINESS ADVANTAGE	55-202-100	52.72
12/25	12/16/2025	252803	160263	TALL TIMBERS TREE & SHRUB SERVICE INC	10-202-100	500.00
12/25	12/16/2025	252804	20221166	TOFFEL, LESLIE E	10-202-100	346.00
12/25	12/16/2025	252805	837	TRUIST EQUIPMENT FINANCE CORP	54-202-100	100.00
12/25	12/16/2025	252806	170078	TWIN BEARS	54-202-100	117.50
12/25	12/16/2025	252807	20220123	WIKSTROM, YVETTE	10-202-100	2,137.50
12/25	12/16/2025	252808	551	XEROX FINANCIAL SVCS/MARLIN LEASING CORP	10-202-100	2,042.53
12/25	12/16/2025	252809	20221204	LEAK LOCATORS OF MONTANA, LLC	52-202-100	23,603.00
12/25	12/17/2025	252810	20200132	ALLEN, MICHAEL T	10-202-100	1,437.50
12/25	12/17/2025	252811	145724	AMAZON CAPITAL SERVICES	10-202-100	38.95
12/25	12/17/2025	252812	2021025	CHAVEZ CONSULTING INC	54-202-100	6,024.26
12/25	12/17/2025	252813	144290	CITY OF COLORADO SPRINGS	55-202-100	1,840.00
12/25	12/17/2025	252814	177	COLORADO SPRINGS UTILITIES	55-202-100	11,422.10
12/25	12/17/2025	252815	20221163	DAVIS PARTNERSHIP, P.C.	39-202-100	104,647.00
12/25	12/17/2025	252816	20220883	DIVISION OF CHILD SUPPORT	10-202-100	312.00
12/25	12/17/2025	252817	20220368	JOHN DAVIS DESIGN GROUP	55-202-100	12,865.00
12/25	12/17/2025	252818	15009	JR ENGINEERING LLC	55-202-100	12,137.50
12/25	12/17/2025	252819	145606	MILE HIGH ACE HARDWARE	10-202-100	42.24
12/25	12/17/2025	252820	20220393	ROCKSOL CONSULTING GROUP INC	26-202-100	22,318.85
12/25	12/17/2025	252821	20200287	SHELDON'S AUTO REPAIR	10-202-100	102.75
12/25	12/17/2025	252822	20200156	T2 SYSTEMS CANADA INC	55-202-100	56.50

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount	
12/25	12/17/2025	252823	20221166	TOFFEL, LESLIE E	10-202-100	990.00	
12/25	12/17/2025	252824	20221095	WSP USA INC	52-202-100	4,052.50	
12/25	12/19/2025	252825	145724	AMAZON CAPITAL SERVICES	10-202-100	57.69	
12/25	12/19/2025	252826	160255	LIFEMED SAFETY, INC.	10-202-100	1,270.00	
12/25	12/19/2025	252827	145606	MILE HIGH ACE HARDWARE	10-202-100	29.84	
12/25	12/19/2025	252828	138	PHIL LONG MOTOR CITY	10-202-100	242.16	
12/25	12/19/2025	252829	20200221	SEA-WESTERN INC	10-202-100	3,049.60	
12/25	12/19/2025	252830	20200170	UNITED SITE SERVICES	55-202-100	737.00	
12/25	12/22/2025	252831	145724	AMAZON CAPITAL SERVICES	10-202-100	290.58	
12/25	12/22/2025	252832	1516	CASELLE INC	10-202-100	2,431.00	
12/25	12/22/2025	252833	690	CENTURYLINK	52-202-100	2,576.63	
12/25	12/22/2025	252834	1111	COLORADO PARKS AND RECEREATION ASSOC	10-202-100	130.00	
12/25	12/22/2025	252835	144799	GARDEN OF THE GODS ACE HARDWARE	55-202-100	52.56	
12/25	12/22/2025	252836	436	HOME DEPOT CREDIT SERVICES	10-202-100	13.34	
12/25	12/22/2025	252837	1009	MARCUS ELECTRIC LLC	39-202-100	9,209.00	
12/25	12/22/2025	252838	145606	MILE HIGH ACE HARDWARE	10-202-100	20.69	
12/25	12/22/2025	252839	20220393	ROCKSOL CONSULTING GROUP INC	55-202-100	38,347.72	
12/25	12/22/2025	252840	197	FRONTIER PRECISION	53-202-100	10,492.00	
12/25	12/22/2025	252841	1009	MARCUS ELECTRIC LLC	52-202-100	100.00	
12/25	12/22/2025	252842	150051	OFFICE DEPOT	52-202-100	59.40	
12/25	12/22/2025	252843	855	ROCKY MOUNTAIN AIR SOLUTIONS	52-202-100	198.00	
12/25	12/22/2025	252844	143	SCHMIDT CONSTRUCTION	10-202-100	197.60	
12/25	12/22/2025	252845	1700045	UNITED STATES GEOLOGICAL SURVEY	52-202-100	23,457.02	
12/25	12/22/2025	252846	144369	USDA FOREST SERVICE	52-202-100	394.01	
12/25	12/26/2025	252847	20220652	7 SUMMITS ROOFING LLC	10-202-100	675.00	
12/25	12/26/2025	252848	145724	AMAZON CAPITAL SERVICES	55-202-100	37.25	
12/25	12/26/2025	252849	20220880	AUTOMATED BUSINESS PRODUCTS OF COLORAD	10-202-100	7.36	
12/25	12/26/2025	252850	1806	COMCAST	55-202-100	610.00	
12/25	12/26/2025	252851	594	HORD, COPLAN, MACHT	39-202-100	27,962.25	
12/25	12/26/2025	252852	2021089	NATIONSEARCH.COM LLC	10-202-100	158.24	
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12/25	12/29/2025	252855	20220036	AMERITAS LIFE INSURANCE CORP	10-202-100	3,253.64	
12/25	12/29/2025	252856	726	BURLAP BAG	55-202-100	180.50	
12/25	12/29/2025	252857	43	LEGAL SHIELD	10-202-100	600.00	
12/25	12/29/2025	252858	20220037	NEW YORK LIFE	10-202-100	2,122.20	
12/25	12/29/2025	252859	20200170	UNITED SITE SERVICES	55-202-100	1,018.00	
12/25	12/29/2025	252860	2004	SHRED-IT USA	10-202-100	49.00	
12/25	12/29/2025	252861	587	UL LLC	10-202-100	1,998.92	
12/25	12/30/2025	252862	20221212	CAFFERY, DENNIS	01-202-100	129.46	
12/25	12/31/2025	252863	20221213	BLINKAY USA, LLC	55-202-100	19,700.00	
12/25	12/31/2025	252864	20221212	CAFFERY, DENNIS	01-202-100	.00	V
12/25	12/31/2025	252865	20221210	CURCIO, KATIE	10-202-100	900.00	
12/25	12/31/2025	252866	145606	MILE HIGH ACE HARDWARE	10-202-100	6.29	
12/25	12/31/2025	252867	20220657	PRECISION CONCRETE CUTTING INC	10-202-100	11,114.02	
12/25	12/31/2025	252868	150048	SESAC	10-202-100	641.00	
12/25	12/31/2025	252869	145724	AMAZON CAPITAL SERVICES	10-202-100	27.50	
12/25	12/31/2025	252870	20220677	ARTAIC GROUP, LLC	26-202-100	1,610.00	
12/25	12/31/2025	252871	848	CENTURYLINK	10-202-100	258.62	
12/25	12/31/2025	252872	384	CLEARWAY ENERGY GROUP	10-202-100	1,888.38	
12/25	12/31/2025	252873	1124	CLEARWAY ENERGY GROUP LLC	52-202-100	1,665.27	
12/25	12/31/2025	252874	20220883	DIVISION OF CHILD SUPPORT	10-202-100	312.00	
12/25	12/31/2025	252875	20220644	EMS MANAGEMENT & CONSULTANTS INC	10-202-100	91.30	
12/25	12/31/2025	252876	160344	FLAIR DATA SYSTEMS	10-202-100	7,975.05	
12/25	12/31/2025	252877	1009	MARCUS ELECTRIC LLC	10-202-100	140.00	
12/25	12/31/2025	252878	169	NAPA AUTO PARTS	10-202-100	164.90	
12/25	12/31/2025	252879	20221144	REMINGTON BUILDERS GROUP	39-202-100	177,880.83	

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
Grand Totals:		224				2,001,991.15

Report Criteria:
Report type: Summary
Check.Type = {<>} "Adjustment"

Memorandum

Title: January 6, 2026 City Council Regular Meeting Minutes
From: City Clerk's Office
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 5 Minutes

January 20, 2026

Purpose:
To review and approve the meeting minutes from the January 6, 2026 City Council meeting.

Background:
The City Council met in regular session on January 6, 2026.

Fiscal Impact:
None.

Workload Impact:
Approximately two hours to attend the meeting and to prepare and review the minutes.

Recommended Action:
Approve the January 6, 2026 City Council regular meeting minutes through the approval of the consent calendar.

CITY OF MANITOU SPRINGS
CITY COUNCIL
Regular Meeting Minutes
606 Manitou Avenue
January 6, 2026

The City Council of Manitou Springs met in Regular Session on Tuesday, January 6, 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 John Graham
Mayor Pro Tem Natalie Johnson
Councilor Judith Chandler
Councilor John Shada
Councilor Julie Wolfe
Councilor Nancy Fortuin
Councilor Michelle Whetherhult

A. CALL TO ORDER

Mayor Graham 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

Mayor Graham suggested removing the Receive or Act on Council Correspondence and City Administrator Report sections from the agenda.

Councilor Shada moved to approve the agenda as amended. The motion was seconded by Mayor Pro Tem Johnson. The motion carried unanimously (7-0).

E. PUBLIC COMMENT ON NON-AGENDA ITEMS

Peggy Dlugos, 18 Kreg Lane, read a poem into the record, titled Start Close In, by David Whyte.

Bill Wysong, El Paso County Commissioner, thanked Mayor Graham for his service and commended him for his work. He also welcomed the newly elected Mayor Natalie Johnson.

F. CONSENT CALENDAR

1. December 2, 2025 City Council Minutes
2. December 11, 2025 City Council Minutes

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

G. PRESENTATION

1. Comments from Outgoing Council

Councilor Fortuin reflected on her eight years of service, noting that while serving on Council is challenging, it is rewarding and a privilege to serve the community. She emphasized the importance of local civic engagement, encouraging residents to contribute in ways that suit them and to remain involved in strengthening community connections. She highlighted the value of asking questions, seeking multiple perspectives, and communicating directly with elected officials to resolve concerns. Councilor Fortuin also stressed the importance of celebrating successes and appreciating the community. She expressed gratitude to Ward 2 residents, City staff, local businesses, boards and commissions, nonprofit organizations, volunteers, and community members for their contributions, and she wished the incoming Council success in their service.

Councilor Whetherhult thanked community members for attending and acknowledged outgoing and incoming Council members and the new Mayor. She reflected on the challenges of the past four years and expressed appreciation for the City Administrator, Council, and City staff, emphasizing their dedication and behind the scenes work. She encouraged residents to remain engaged and respectful when communicating with City leadership, noting the difficulty of public service. Councilor Whetherhult highlighted the value of the Citizens Academy, thanked Ward 3 residents for their support, and expressed her continued commitment to the Manitou Springs community.

Mayor Graham reflected on his six years and three terms in office by highlighting major City projects and improvements, including upgrades to the library, water system, streets, parking facilities, public safety infrastructure, open space preservation, fire mitigation efforts, and utilities coordination. He emphasized the collaborative efforts of City Council, staff, volunteers, and the community in achieving these outcomes. Mayor Graham thanked outgoing and incoming Council members, expressed confidence in the incoming Mayor, and conveyed appreciation for City staff, the City Administrator, and his family for their support. He concluded by expressing gratitude for the opportunity to serve the Manitou Springs community.

H. OATH OF OFFICE – SWEARING IN OF MAYOR AND NEWLY ELECTED COUNCILORS

City Clerk Elena Krebs conducted the swearing in of Mayor Natalie Johnson, as well as Ward One Councilor Nate Nassif, Ward Two Councilor Carey Storm and Ward Three Councilor Gloria Latimer.

COUNCIL MEMBERS PRESENT FOR ROLL CALL:

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

I. BUSINESS

1. <u>Resolution No. 0126, A Resolution of Acknowledgment and Appreciation of Mayor John Graham</u>

Mayor Johnson read the resolution into the record and suggested an addition after the fourth paragraph to state “Whereas, recognizing that Mayor Graham was the visionary leader behind our annual Indigenous Peoples Day.”

Councilor Chandler moved to approve Resolution No. 0126, A Resolution of Acknowledgment and Appreciation of Mayor John Graham, as amended. The motion was seconded by Councilor Shada. The motion carried unanimously (7-0).

2. <u>Resolution No. 0226, A Resolution of Acknowledgment and Appreciation of Councilor Nancy Fortuin</u>

Councilor Storm read the resolution into the record.

Councilor Storm moved to approve Resolution No. 0226, A Resolution of Acknowledgment and Appreciation of Councilor Nancy Fortuin. The motion was seconded by Councilor Latimer. The motion carried unanimously (7-0).

3. <u>Resolution No. 0326, A Resolution of Acknowledgment and Appreciation of Councilor Michelle Whetherhult</u>

Councilor Latimer read the resolution into the record.

Councilor Latimer moved to approve Resolution No. 0326, A Resolution of Acknowledgment and Appreciation of Councilor Michelle Whetherhult. The motion was seconded by Councilor Storm. The motion carried unanimously (7-0).

4. Resolution No. 0426, A Resolution Establishing the Locations for the Posting of Notices for the City of Manitou Springs, Colorado

Councilor Chandler moved to approve Resolution No. 0426, A Resolution Establishing the Locations for the Posting of Notices for the City of Manitou Springs, Colorado. The motion was seconded by Councilor Wolfe. The motion carried unanimously (7-0).

5. Resolution No. 0526, A Resolution Appointing Council Members and Staff as Liaisons to the Various Boards, Commissions, Committees, Agencies and Organizations

Councilor Latimer moved to approve Resolution No. 0526, A Resolution Appointing Council Members and Staff as Liaisons to the Various Boards, Commissions, Committees, Agencies and Organizations. The motion was seconded by Councilor Storm. The motion carried unanimously (7-0).

6. Nomination and Election of a Mayor Pro Tem and Alternate/Back-up Mayor Pro Tem

Mayor Johnson moved to elect Councilor Chandler as Mayor Pro Tem. The motion was seconded by Councilor Shada. The motion carried unanimously (7-0).

Mayor Johnson moved to elect Councilor Wolfe as Alternate Mayor Pro Tem. The motion was seconded by Councilor Chandler. The motion carried unanimously (7-0).

Mayor Johnson announced that going forward City Council work sessions would start at 5:00 PM.

J. RECEIVE OR ACT ON COUNCIL CORRESPONDENCE

Note for the Record – This section of the agenda was removed during Approval of the Agenda.

K. CITY ADMINISTRATOR REPORT

Note for the Record – This section of the agenda was removed during Approval of the Agenda.

ADJOURN

With no further business, Councilor Chandler moved to adjourn the meeting. The motion was seconded by Councilor Wolfe. The motion carried unanimously (7-0).

Attest:

____
Natalie Johnson, Mayor

____
Elena Krebs, City Clerk

If you need this document in an alternative format, such as large print, accessible PDF, or Braille, please contact the City Clerk's Office at cityclerk@manitouspringsco.gov or (719) 685-2554.

Memorandum

Title: Hiawatha Gardens Phase 1 Parking Lot and Restroom Structure - Fransen Pittman Contract Guaranteed Maximum Price (GMP) Amendment - Construction GMP

From: Ben Schmitt, Public Services Director, and Sarah Lara, from Artaic will be in attendance to answer questions.

To: Mayor and City Council

CC: City Administrator Denise Howell

Allocated Time: 20 Minutes

January 20, 2026

Purpose:

Amend Contract A133-2019 with Fransen Pittman to include construction services for the guaranteed maximum price (GMP) amendment for $3,159,725 for Phase 1 improvements for Hiawatha Gardens.

The GMP Amendment is a contract amendment that formally establishes the maximum price for the construction project, including all labor, materials, and other costs. It protects the owner from unexpected costs by setting a ceiling on the project's price. The Construction Manager/General Contractor (CMGC) is responsible for any costs exceeding the GMP, unless the project scope changes via formal, owner-approved changes, which can include owner-requested scope changes, unforeseen site conditions, drawings and specification changes, and use of allowances.

Background:

Goals Identified

Throughout the project's design process, the following goals were identified throughout the community engagement events:

1. Accessibility: State-of-the-art infrastructure for people of all abilities.
2. Security: Safe, secure, welcoming.
3. Creativity: A community facility that encourages Manitou's creativity.
4. Natural Aesthetic: Reflect the community's natural beauty and enhance the creek side location.
5. Transportation Hub: Create a site that supports all modes of transportation.
6. Sustainability: Economically prosperous, socially inclusive, environmentally sustainable with permanent water-quality infrastructure.
7. Rehabilitation: Honor the historical aspects of the site.
8. Design for the Future: Provide a site/building to be used for generations to come.

City Council, as part of previous presentations, identified the following goals:

1. Reduce Congestion: Reduce traffic congestion in downtown and residential areas.
2. Parking: Reduces the use of critical retail parking spots for non-retail purposes.
3. Noise and Pollution: Reduce noise and pollution within City Limits by reducing vehicles circling looking for parking.

The goals identified by City Council and the community have guided decision-making throughout the design process.

Project Programming
Phase 1 identifies the primary users as residents and visitors. The Phase 1 improvements will provide an integrated mobility hub to support residents and visitors enjoying
downtown.

Approved Project Strategies
Staff and the Consultant Team have been working together to refine the design for Phase 1 starting in May 2025. Sustainability was stated as a goal by the Community and City Council. The team collaborated with the Floodplain Administrator, MS4 permit reviewers and the City Engineer to develop the approved Stormwater Plan. The proposed plan works with existing grading patterns and green infrastructure to improve the water quality of run-off prior to entering Fountain Creek.

A natural aesthetic and the inclusion of more pervious surfaces was a shared goal by the Community and City Council. The team collaborated to maximize parking while minimizing the impervious surface areas. The approved layout was revised to include the required landscape standards in the design. The reduction of impervious surface areas also served the goal of sustainability and stormwater management.

The approved grading strategy for Phase 1 promotes sloped walking surfaces instead of formal stairs for the majority of circulation. A formal ramp is proposed north of the restroom in order to provide ADA-compliant access from El Paso Blvd to the Restroom and then to the Open-Air Pavilion in Phase 2. The approved design meets the community's stated goals for accessibility and a design for all people.

The approved plans incorporated input from community experts serving on the Parks and Recreation Advisory Board, Mobility and Parking Board, and CRANE. PARAB reviewed and gave their support for tree removal, pruning, and thinning in Phase 1.

MAPS support the strategy for ADA-compliant sidewalks, bike parking for non-standard bikes, and green infrastructure for runoff management in a floodplain. They also supported bike amenities such as bike racks and bike lockers being made visible at key transportation choice decision points within the site. Throughout the design process, the Community and Council have stated that this property needs to “feel like Manitou” and a strategy to accomplish that goal is a plan to accommodate art opportunities throughout the site. Funding does not allow for full realization of the art master plan on day one, but in an effort to design for the future, material details have been created to allow for surfaces to receive art in the future in collaboration with CRANE in the final adopted plan.

Approvals and Entitlement History

On August 12, 2025, City Council approved the strategic approach for sustainable stormwater, parking, mobility, art and community for Phase 1 and 2 Hiawatha Gardens Design. The construction budget for Phase 1 Restrooms and Parking Lot was presented as $3,385,605. Please refer to the attached memo from City Council's August 12, 2025, work session for complete details. With that direction, staff and the design consultant team proceeded to refine the drawings for submission as a Major Development Plan Application per code section 18.06.4.13.

The Major Development Plan was submitted to the Planning Department and distributed to reviewers. Comments were either addressed in the resubmittal, or included as conditions for approval and the plans were submitted to City Planning Commission as in compliance with city codes and ordinances. The City Planning Commission forwarded a recommendation of approval to City Council with a 6-1 vote. City Council heard the Major Development Plan application on October 21, 2025 and voted unanimous approval.

Pros and Cons

Pros: Approval tonight allows the contract to move forward on the following schedule:

- January 2026: Contract amendment is heard by PPRTA CAC and the PPRTA Board. Signed if approved by PPRTA.
- February 2026: Fransen Pittman can break ground and start their approximate 5-month construction schedule.
- August 2026: Re-open Hiawatha Gardens Parking Lot as an income generator.

Approval of the construction contract amendment moves the Phase 1 extents of the project into compliance with parking lot city code requirements.

Cons: If the contract is delayed or postponed from tonight, the following negative outcomes could occur.

- Delays to construction translate into incurred inflation at a rate of .05% a month. The city has received advantageous pricing because the construction begins outside of peak construction season.
- If a re-design or scope reduction is requested, the city can expect the hard and soft costs to increase for the project as a whole at the following rates:
    - Soft Costs for Document Changes: $25,000 (will depend on the extent of design changes; costs may be higher)
    - Hard Costs due to inflation for the deferred improvements. Example: $800,000 saved by the elimination of the Restroom Building will cost the City once installed as part of Phase 2. If installation were to occur in 2027, it would cost the city a minimum of $1,008,000 for the same improvements.

<u>Fiscal Impact:</u>
The guaranteed maximum price for construction identified in the contract is $3,159,725. Note that this final price is reflective of multiple rounds of negotiations by staff with the contractor, and minor adjustments to design, which reflect $308,467 in savings from the original October 3rd, 2025 pricing of the Design Development Drawing package. The construction schedule has been timed to minimize impact to parking availability during peak season, and get Hiawatha Gardens Parking Lot back online as a revenue generator as quickly as possible.

Note that due to project management staffing vacancies, the city also needs to hire project management and third-party testing for this project.

These costs are:
Total project cost is:
Funding Sources Previously Identified:

- COG (building only) - $500,000
- Parking and Mobility - $500,000
- PPRTA remaining - $1,600,000
- Capital Improvemtn Fund over the last several years - $591,390

Grand Total: $3,191,390

Note that the guaranteed maximum price amount vs the funding sources allocated *amount provides a construction contingency buffer of $31,665 or 1% for issues that arise during construction. Diligent project management is crucial in ensuring the project stays within this contingency.*

The following steps have been taken to control and reduce costs for Phase 1:

- Overall
    - Economical Material Selections to reduce construction costs without incurring additional lifecycle costs overtime.
    - Reduced citywide maintenance cost for the city by recycling the millings from the asphalt demo to be used by streets for roadway maintenance. Reduced haul away costs.
    - Grading for sidewalks to be sloped instead of formal ramps to reduce railing costs wherever possible.
    - Reuse existing trash receptacles.
- Restroom
    - Reduction of programming in Restroom Structure by two stalls for each gendered restroom.
    - Simplify Restroom Construction methods by using standard readily available materials that are durable and affordable.
        - This is a wood-framed structure on a shallow concrete foundation design.
        - All decorative wood elements are designed from readily available dimensional lumber, with no specialty wood products.
        - The roofing material is asphalt shingles.
        - The roof soffit is clad with tongue-and-groove natural wood, which is an affordable and easily-installed material.
        - The exterior walls are finished with stucco, which is affordable and durable, in addition to a small amount of natural stone to emphasize the historic character of Manitou Springs.
        - The interior restroom walls are clad with Fiberglass Reinforced Paneling (FRP), which is a very affordable and durable material.
- Parking Lot
    - Value Engineering Vehicular Light selection to reduce fixture cost and quantity without sacrificing performance and conforming with dark sky compliance.
    - Locate the trash receptacle to reduce need for concrete turning pad for garbage truck access.
    - Reconfigure parking spaces on north side of west parking lot.
- Landscaping and Stormwater
    - Re-design of rain garden on the south side to reduce linear footage and

    - height of walls required to meet volume requirements, reducing costs of walls on the project as well as reducing storm sewer sizing and pipe configuration. Use of native seed in lieu of containerized planting.
    - Re-purpose trees removed as much for planting beds to reduce mulch costs on the project.
    - Preserve and protect junipers on the north side of the parking lot.
    - City self perform work to install snow fencing to protect seeded areas from wildlife during establishment.
- Utilities
    - Depending on staffing levels and workload, City to potentially self-perform water/wastewater service connection between restroom and street mainline for an additional cost savings of ~$80k, to reduce the total GMP down to $3,079,725

Construction of the permanent restroom structures will eliminate the annual cost of $43,936 in porta potties at the parking lot.

Workload Impact:

Construction Phase: Project Manager's time attending Owner Architect Contractor meetings, reviewing pay-apps, and managing the project budget and schedule.

Property Maintenance Long-Term: Bathroom & Office capacity increases for Hiawatha and Dillon will require the addition of two people full-time; two people seasonally, May through October; and two people full-time to cover paid time off in order to maintain the current restroom cleaning frequency throughout the City's Public Restrooms.

Recommended Action:

Approve the AIA Contract Amendment with Fransen Pittman through approval of the consent calendar.

Memorandum

Title: Design Update Hiawatha Gardens Phase 2 - Pavilion and Plaza
From: Erin Ringsred – Project Manager
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 20 Minutes

August 12, 2025

Purpose:
Staff are requesting direction from City Council on the Phase 2 Pavilion and Plaza at Hiawatha Gardens. (10 Old Mans Trail)

Background:

Goals Identified

Throughout the project's design process, the following goals were identified throughout the community engagement events:

1. Accessibility: State-of-the art infrastructure for people of all abilities
2. Security: Safe, secure, welcoming
3. Creativity: A community facility that encourages Manitou's creativity
4. Natural Aesthetic: Reflect the community's natural beauty and enhance the creek-side location.
5. Transportation Hub: Create a site that supports all modes of transportation.
6. Sustainability: Economically prosperous, socially inclusive, environmentally sustainable with permanent water quality infrastructure.
7. Rehabilitation: Honor the historical aspects of the site
8. Design for the Future: Provide a site/building to be used for generations to come.

City Council as part of previous presentations identified the following goals:

1. Reduce Congestion: Reduce traffic congestion in downtown and residential areas.
2. Parking: Reduces the use of critical retail parking spots for non-retail purposes
3. Noise and Pollution: Reduce noise and pollution within City Limits by reducing vehicles circling looking for parking.

The goals identified by City Council and the community have guided decision-making throughout the design process.

Project Programming

Phase 2 identifies the primary users as residents and visitors. The Phase 2 improvements will provide an integrated mobility hub and community space to support residents and visitors enjoying Memorial Park and downtown.

Project Progress

Staff and the Consultant Team have been working together to refine the design for Phase 2 starting in May 2025. Sustainability was stated as a goal by the Community and City Council. The team has been collaborating with the Floodplain Administrator, MS4 permit reviewers and the City Engineer to refine the Stormwater Plan. The proposed plan works with existing grading patterns and green infrastructure to provide green infrastructure to improve water quality from run-off prior to entering Fountain Creek.

A Natural Aesthetic and the inclusion of more pervious surfaces was a shared goal by the Community and City Council. The team collaborated to further refine the plaza design to maximize pervious surface areas and increase the opportunity for pollinator species and habitat support while also accommodating our hazard mitigation best practices. The reduction of impervious surface areas also served the goal of sustainability and stormwater management. The proposed planting areas will provide habitat, beauty and serve as flow-through planters to improve water quality before it reaches Fountain Creek.

The grading strategy for Phase 2 was refined as part of the work performed by the team between May 2025 and August 2025. The team is proposing an approach for circulation within Phase 2 that promotes sloped walking surfaces instead of formal stairs for the majority of circulation. A sloped path and stairs are proposed along the creek's edge in order to meet the mobility needs of all users. This design progression serves to meet the community's stated goals for accessibility and a design for all people.

The project team requested input from community experts serving on the Parks and Recreation Advisory Board, Mobility and Parking Board, CRANE and the Historic Preservation Commission. The input received is summarized below.

Parks and Recreation Advisory Board Input

Staff presented the suggested tree removal and thinning proposed by Tall Timbers to PARAB at their July 14, 2025, meeting prior to the completion of the schematic design which is being presented to City Council at the August 12, 2025, work session. They voiced their support for the suggested tree removals identified as 38, 39, 40 and 41 in the Tall Timbers report. They stated their reluctance to remove the box elders but agreed with the Tall Timbers recommendation. PARAB requested box elder be considered as a species for proposed tree plantings. In the southeast corner of the pavilion there is a mature Crack Willow that is 48” in diameter at breast height. A basic tree risk assessment was performed on this tree due to its observed lean towards the pavilion. The assessment identified the risk of failure as moderate and recommended the following mitigation options: pruning to remove large deadwood and reducing weight over the building or removing the tree entirely. Due to the age and size of the tree, PARAB does not support removal of this tree at this time. Prior to removal of the tree, PARAB requested an additional assessment be done when the roots and base of the tree could be observed when not submerged under the creek water level. PARAB requested the proposed tree list for planting be brought back to them to confirm alignment with the City’s urban tree canopy goals.

Mobility and Parking Board Input

Staff presented the Hiawatha Project to the MAPS board on June 25, 2025, prior to the completion of the schematic design which is being presented to City Council at the August 12, 2025, work session. MAPS stated their concerns about ADA compliance for sidewalks, bike parking for non-standard bikes, and green infrastructure for runoff management in a floodplain. They also requested bike amenities such as bike racks and bike lockers be visible at key transportation choice decision points within the site.

CRANE Input

The Project Team requested input from representatives of CRANE to generate a Master Plan for art opportunities at Hiawatha Gardens. Throughout the design process, the Community and Council have stated that this property needs to “feel like Manitou” and a strategy to accomplish that goal is a plan to accommodate art opportunities throughout the site. Funding does not allow for full realization of the art master plan on day one, but in an effort to design for the future, material details have been created to allow for surfaces to receive art in the future. For example, seating nooks adjacent to the flex lawn will be concrete-designed with the intent to install mosaic art in the future with minimal surface preparation requirements.

HPC Input

The project team presented to HPC at their June 4, 2025, meeting. The purpose of this presentation was to update them on the direction given by council for the Open-Air Pavilion and the proposed building form and alignment of the restroom structure for direction on design guideline compliance. Staff notified HPC that the wood flooring would need to be removed as part of the Open Air approach. The project team has scheduled a meeting with History Colorado to discuss future grant funding.

Tree Removal

A Tree Inventory and Assessment was completed by Tall Timbers in July 2025. As part of their inventory, trees identified as 38, 39, 40, and 41 were recommended for removal based on current health, perceived hazard and estimated quantity of root disturbance due to construction impacts. Tall Timbers also made recommendations that they felt would improve the quality of the tree canopy health of existing trees, as Hiawatha the majority of the tree pruning is recommended as part of the Phase 1 scope. Tall Timbers recommended pruning tree 37, which is identified as the 45” DBH Crack Willow leaning over the historic dance hall.

Next Steps

Upon the City Council’s direction to move forward with the design, the project would move forward with the submittal of entitlement applications on September 4, 2025, to the reviewing bodies. The required applications be sequenced as follows: The first application would be a Material Change of Appearance Certification which requires staff review for application completion and then would be heard in a public hearing by the Historic Preservation Commission. There are two applications that will be heard by the City Council. They include: Rezoning and a Major Development Plan. Both applications will first be reviewed for completeness by planning staff, then they will be heard by the City Planning Commission as the recommendation body. The City Council will be the final decision maker. A Grading and Erosion Control Permit would be reviewed by City Staff concurrently with Pikes Peak Regional Building Departments' building permit review.

Pros and Cons:

Pros: With the direction to proceed by City Council on August 12th, the project team will be able to meet the submittal deadline of September 4, 2025, and conduct the required public hearings in October 2025.

Cons: If direction is postponed, this will impact Phase 1's project timeline, which has the potential to impact parking availability during peak season in 2026. Phase 1 and 2 need to be brought forward in the design process simultaneously due to permitting requirements.

Fiscal Impact:

The proposed design for Phase 2: Pavilion and Plaza has a cost estimate of $3,612,673. As part of the previous project discussions, available funding totaled to $1,016,231 utilizing MACH and CIP funding sources. City staff are researching potential funding sources to fully fund this phase of this project.

Workload Impact:

Design Phase: The project manager's time overseeing the project, including the coordination of meetings, keeping all records up-to-date and additional data gathering to ensure all items are accounted for. A City Planner will assist the project manager and consultant team by contributing planning expertise to ensure all city codes are incorporated into the final approved plan.

Construction Phase: Project Manager's time attending Owner Architect Contractor meetings, reviewing pay-apps, and managing the project budget.

Property Maintenance Long-Term: The Parks team will require an additional 2 hours per week and Forestry will require an additional 1 hour per week to maintain turf and trees at Hiawatha as proposed. Additional hours per week will need to be added for the garden maintenance as part of Phase 2 is estimated to be approximately 1.5hr per week for a total of $2,430 annually.

Recommended Action:

There is no formal action to be taken. Staff is seeking City Council's direction to move forward with the design strategies.

AIA® Document A133® – 2019 Exhibit A

Guaranteed Maximum Price Amendment

This Amendment dated the 20th day of January in the year 2026 , is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price dated the 29th day of December in the year 2025 (the "Agreement")
(In words, indicate day, month, and year.)

for the following **PROJECT:**
(Name and address or location)

Hiawatha Gardens Restoration and Design
Phase 1: Restroom & Site/Parking Lot
10 Old Man's Trail Manitou Springs, CO 80829

THE OWNER:
(Name, legal status, and address)

City of Manitou Springs
606 Manitou Avenue
Manitou Springs, CO 80829

And

Pikes Peak Rural Transportation Authority
15 S. 7th Street
Colorado Springs, CO 80905

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

Fransen Pittman Construction Co., Inc.
9563 S. Kingston Court, STE 200
Englewood, CO 80112

ADDITIONS AND DELETIONS:
The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

ARTICLE A.1 GUARANTEED MAXIMUM PRICE

§ A.1.1 Guaranteed Maximum Price
Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by

the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of the Agreement.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed Three Million One Hundred Fifty-Nine Seven Hundred Twenty-Five Dollars ($ 3,159,725.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

More specifically, PPRTA portion shall be no more than One Million Seven Hundred Nineteen Seventy-one Dollars ($1,719,071.00). Remaining funds shall be paid by the City of Manitou Springs.

§ A.1.1.2 Itemized Statement of the Guaranteed Maximum Price. Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 of the Agreement.
(Provide itemized statement below or reference an attachment.)

Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

§ A.1.1.3 The Construction Manager's Fee is set forth in Section 6.1.2 of the Agreement.

§ A.1.1.4 The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

§ A.1.1.5 Alternates
§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

Item	Price

§ A.1.1.5.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Exhibit A. Upon acceptance, the Owner shall issue a Modification to the Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ A.1.1.6 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit ($0.00)

ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
§ A.2.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[ ] The date of execution of this Amendment.

[X] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

January 22nd, 2026

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment.

§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

§ A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[ ] Not later than ( ) calendar days from the date of commencement of the Work.

[X] By the following date: July 1, 2026

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	**Substantial Completion Date**

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement.

ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents and the following:

§ A.3.1.1 The following Supplementary and other Conditions of the Contract:

Document	**Title**	**Date**	**Pages**

§ A.3.1.2 The following Specifications:
(Either list the Specifications here, or refer to an exhibit attached to this Amendment.)

Hiawatha Gardens – Phase 1 Construction Documents Project Manual dated November 6th, 2025

Section	**Title**	**Date**	**Pages**
Pages 1 - 862			

§ A.3.1.3 The following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Amendment.)

Hiawatha Gardens Phase 1 Construction Drawings dated November 6th, 2025

Number	**Title**	**Date**
Pages 1 - 73		

§ A.3.1.4 The Sustainability Plan, if any: N/A
(If the Owner identified a Sustainable Objective in the Owner's Criteria, identify the document or documents that comprise the Sustainability Plan by title, date and number of pages, and include other identifying information. The Sustainability Plan identifies and describes the Sustainable Objective; the targeted Sustainable Measures; implementation strategies selected to achieve the Sustainable Measures; the Owner's and Construction Manager's roles and responsibilities associated with achieving the Sustainable Measures; the specific details about design reviews, testing or metrics to verify achievement of each Sustainable Measure; and the Sustainability Documentation required for the Project, as those terms are defined in Exhibit C to the Agreement.)

Title	**Date**	**Pages**

Other identifying information:

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

(Identify each allowance.)

Item	Price

§ A.3.1.6 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based:
(Identify each assumption and clarification.)

§ A.3.1.7 The Guaranteed Maximum Price is based upon the following other documents and information:
(List any other documents or information here, or refer to an exhibit attached to this Amendment.)

ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AN D SUPPLIERS

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below:
(List name, discipline, address, and other information.)

City of Manitou Springs contact:
Ben Schmitt, Director of Public Services
bschmitt@manitouspringsco.gov
719-600-8317

Architect / Design Team:
Davis Partnership Architects
2901 Blake St, Suite 100
Denver, CO 80205

Construction Management Owner's Rep:
John B. Chavez
Chavez Consulting Inc., LLC
719-251-5580

Construction Material Testing Firm: TBD

This Amendment to the Agreement entered into as of the day and year first written above.

OWNER *(Signature)*	**CONSTRUCTION MANAGER** *(Signature)*
(Printed name and title)	Jim Andrews, Vice President of Operations *(Printed name and title)*

OWNER *(Signature)*

(Printed name and title)

Additions and Deletions Report for
AIA® Document A133® – 2019 Exhibit A

This Additions and Deletions Report, as defined on page 1 of the associated document, reproduces below all text the author has added to the standard form AIA document in order to complete it, as well as any text the author may have added to or deleted from the original AIA text. Added text is shown underlined. Deleted text is indicated with a horizontal line through the original AIA text.

Note: This Additions and Deletions Report is provided for information purposes only and is not incorporated into or constitute any part of the associated AIA document. This Additions and Deletions Report and its associated document were generated simultaneously by AIA software at 08:49:33 MST on 01/14/2026.

Changes to original AIA text

PAGE 1

City of Manitou Springs

606 Manitou Avenue

Manitou Springs, CO 80829

And

Pikes Peak Rural Transportation Authority

15 S. 7th Street

Colorado Springs, CO 80905

Fransen Pittman Construction Co., Inc.

9563 S. Kingston Court, STE 200

Englewood, CO 80112

PAGE 2

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed ~~($~~ Three Million One Hundred Fifty-Nine Seven Hundred Twenty-Five Dollars ($ 3,159,725.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

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§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

PAGE 3

Section	Title	Date	Pages
Pages 1 - 862			

Hiawatha Gardens Phase 1 Construction Drawings dated November 6th, 2025

Number	Title	Date
Pages 1 - 73		

§ A.3.1.4 The Sustainability Plan, if any: N/A

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

PAGE 4

Davis Partnership Architects

2901 Blake St, Suite 100

Denver, CO 80205

Variable Information

PAGE 1

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Hiawatha Gardens Restoration and Design

Phase 1: Restroom & Site/Parking Lot

10 Old Man's Trail Manitou Springs, CO 80829

PAGE 2

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Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

[X] Established as follows:

January 22nd, 2026

PAGE 3

[X] By the following date: July 1, 2026

Hiawatha Gardens – Phase 1 Construction Documents Project Manual dated November 6th, 2025

Hiawatha Gardens Phase 1 Construction Drawings dated November 6th, 2025

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price: Per Attachment 1 – Hiawatha Gardens PH1 Restroom & Parking GMP Estimate dated December 29th, 2025.

PAGE 4

City of Manitou Springs contact:

Ben Schmitt, Director of Public Services

719-600-8317

Architect / Design Team:

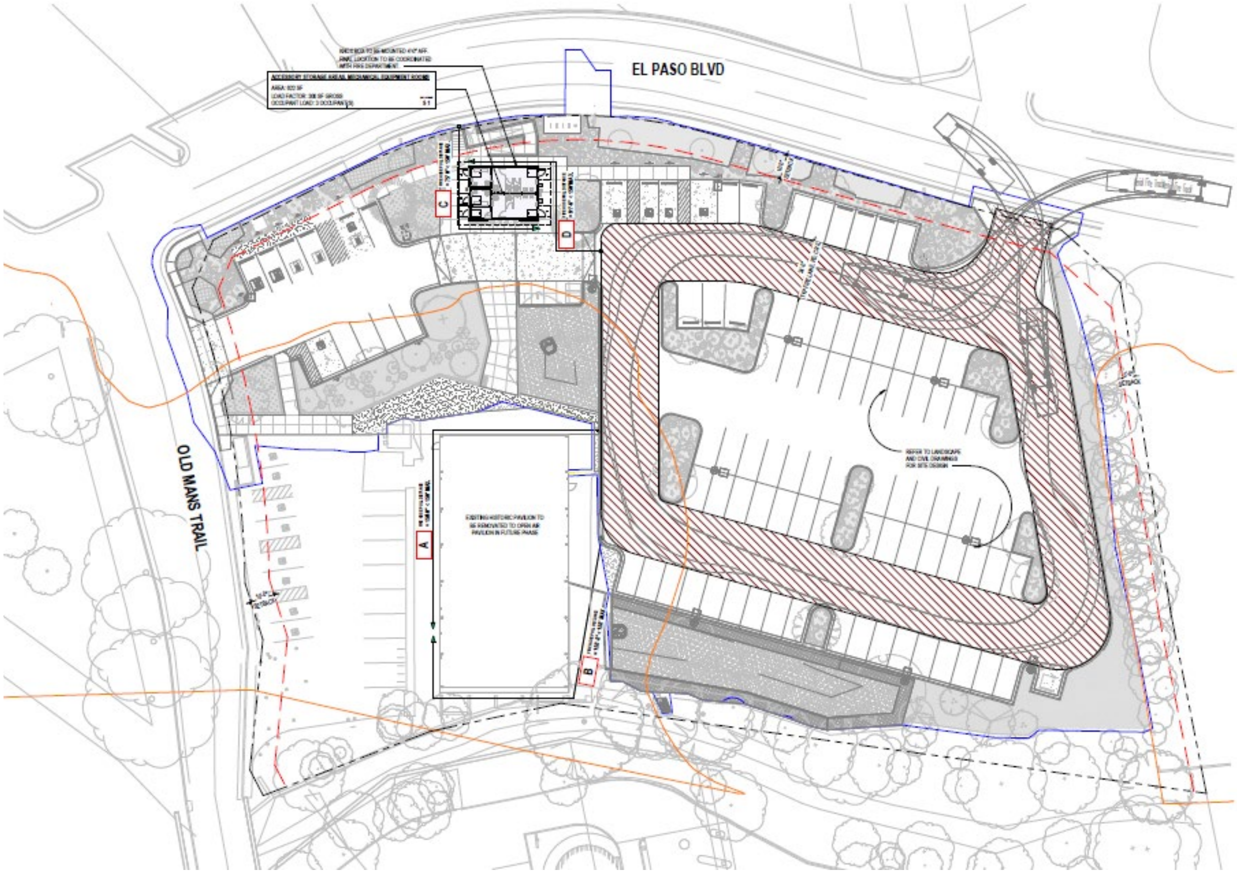
Construction Management Owner's Rep:

John B. Chavez

Chavez Consulting Inc., LLC

719-251-5580

Construction Material Testing Firm: TBD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Memorandum

Title: Request to Change Keith Harper from an Alternate to Regular Member of the City Planning Commission
From: City Clerk's Office
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 5 Minutes

January 20, 2026

Purpose:
Consider approving a status change request from City Planning Commission (CPC) member Keith Harper.

Background:
CPC currently has three vacant regular member positions open and Commissioner Harper has submitted a request to switch from an alternate to regular to fill a vacancy. Commissioner Harper was appointed as an alternate on October 7, 2025. CPC Chair, Alan Delwiche has provided a letter of recommendation endorsing the request.

Fiscal Impact:
None.

Workload Impact:
Minimal

Recommended Action:
Appoint Keith Harper as a Regular Member of CPC through the approval of the consent calendar.

From Keith Harper: Alternate Commissioner

Manitou Springs City Planning Commission

Subject: Request for Status Change from Alternate to Regular Member for the Manitou Springs City Planning Commission.

Elena Krebs: City Clerk

CC Kristen Dukoi: Deputy City Clerk

I am writing to respectfully request a change in my status from *Alternate Member* to *Regular Member* of the Manitou Springs City Planning Commission.

During my time serving as an alternate, I have gained valuable insight into the Commission’s work and have actively participated in discussions and deliberations when called upon. I am committed to supporting the Commission’s mission of guiding responsible growth and preserving the unique character of Manitou Springs.

I believe my experience, dedication, and continued engagement make me well-prepared to serve as a regular member. I welcome the opportunity to contribute more fully to the Commission’s work and decisions.

Thank you for considering my request. I would be honored to continue serving the community in this expanded capacity. Please let me know if any additional information or documentation is required.

Sincerely,

Keith Harper

Keith Harper

Keith Harper
[redacted], Manitou Springs, Colorado 80829
Cell: [redacted], Email: [redacted]

OBJECTIVE

I am interested in a challenging and rewarding position with a growth-oriented company where I can use my extensive background in testing.

EMPLOYMENT

2018-Present, Empirical Testing Corp.
Engineering Manager/ Calibration
Responsibilities include coordinating and testing of multiple customer jobs on thirty-two servo-hydraulic test frames following ASTM standards and/or customer protocols for FDA submissions of medical devices. Maintenance and calibration of both MTS and INSTRON servo-hydraulic test frames and data acquisition systems, Maintenance of Lab and Facility as well as calibration of all small tools and lab support systems.

2016-2018, Advics North America
Asst. Manager Vehicle Test Group
Responsibilities include managing and leading a team of vehicle test engineers and technicians. Prep, installing data acquisition systems, writing detailed engineering reports, organizing vehicle parts and test equipment, and NVH and Dyno testing. My team is able to perform vehicle testing at a very high level of precision and accuracy performing all Toyota, Ford, GM. Confidentiality and secrecy is a must working with prototype vehicles and systems.

2015-2016, Spectranetics Corp.
Engineering Technician
Responsibilities include coordinating a team of technicians to maintain multiple assembly lines in a cleanroom situation. This was a very fast paced and highly technical position.

2008-2015, Empirical Testing Corp.
Lab Test Manager
Responsibilities include coordinating and testing of multiple customer jobs on thirty-four servo-hydraulic test frames following ASTM standards and/or customer protocols for FDA submissions of medical devices and managing a small team of highly skilled technicians. In addition, my duties include collaborating with test engineers, machinists, and technicians, assembly of medical devices in test blocks and fixtures, detailed inspections of specimens using a microscope, high-resolution photographs of failed specimens, use of INSTRON and MTS servo-hydraulic test frames and data acquisition systems, and high level usage of Excel.

2003-2008, Advics North America
Senior Engineering Lead Test Technician
Responsibilities included vehicle testing and prep, installing data acquisition systems, writing detailed engineering reports, organizing vehicle parts and test equipment, and NVH and Dyno testing. In addition, my duties included managing and leading a large team of technicians. Confidentiality and secrecy is a must working with prototype vehicles and systems.

Keith Harper

[redacted], Manitou Springs, Colorado 80829

Cell: [redacted], Email: [redacted]

1998-2003, General Motors Pikes Peak Test Headquarters/Kett Engineering
Facility Manager Responsibilities included maintaining test facility, installing data acquisition systems and brake test hardware, developing new test procedures, organizing vehicle test schedules, mapping new test routes, meeting manpower requirements, instrumentation (GPDAS), support to engineers, data and computer support, and driving and training for Pikes Peak brake tests. Confidentiality and secrecy was a must working with prototype vehicles and systems.

PROFESSIONAL TRAINING

Excel, Word, and Outlook Advanced Training-New Horizons
Bridgestone Winter Driving School
Toyota Test Vehicle Driving Qualification
Advanced Driver Trainer
Forklift License with Trainer Endorsement
IOTech/National instruments/DaisyLab
Link 4000
RevData Plus
Instron Software
MTS Software
Gage Trak

EDUCATION

Technical Trade Institute-Architectural Engineering/Drafting Associates Degree, 1988
Manitou Springs High School-graduated 1985

December 21, 2025

Mayor Johnson and City Council,

I am writing to express my support for the appointment of Keith Harper to be a regular commissioner. While he is a relatively new alternate commissioner, he has lived in Manitou for his entire life. He understands and appreciates our community and has offered useful insights to our deliberations.

Sincerely,

Alan Delwiche

Chair, Planning Commission

Memorandum

Title: Request to Change Megan Day from an Alternate to Regular Member of the City Planning Commission

From: City Clerk's Office

To: Mayor and City Council

CC: City Administrator Denise Howell

Allocated Time: 5 Minutes

January 20, 2026

Purpose:

Consider approving a status change request from City Planning Commission (CPC) member Megan Day.

Background:

CPC currently has three vacant regular member positions open and Commissioner Day has submitted a request to switch from an alternate to regular to fill a vacancy. Commissioner Day was appointed as an alternate on May 16, 2023. CPC Chair, Alan Delwiche has provided a letter of recommendation endorsing the request.

Fiscal Impact:

None.

Workload Impact:

Minimal.

Recommended Action:

Appoint Megan Day as a Regular Member of CPC through the approval of the consent calendar.

Dear Ms. Dukoi,

I am writing to request consideration for appointment to the Manitou Springs City Planning Commission. I currently serve as an Alternate Planning Commissioner and have for over a year and a half.

Thank you for your assistance in this matter. My resume is attached for reference.

Sincerely,

Megan

Megan H. Day, AICP

[redacted], Manitou Springs, CO 80829

[redacted] • [redacted] • [redacted]

Certified planner and subject matter expert in clean energy land use planning, zoning, permitting, and policy

WORK EXPERIENCE

Senior Energy Planner, *National Renewable Energy Laboratory, Golden, CO* 2019 - Present

Congressional Fellow 2025

Project Leader 2014 - 2019

- Selected as a Congressional Fellow by NREL leadership and Senator John Hickenlooper's office to provide expertise to Senator Hickenlooper and his legislative team in his clean energy policy efforts and conduct research, prepare for Energy and Natural Resource Committee hearings, represent the Senator in meetings with energy stakeholders, and develop and analyze legislation.
- Lead technical assistance provision to state coalitions as a subject matter expert for the Renewable Energy Siting through Technical Engagement and Planning (R-STEP) program.
- Key lead in securing and implementing the LA100 Equity Strategies partnership with Los Angeles Department of Water and Power to develop community-guided strategies to achieve a just transition to 100% clean energy in LA. Technical lead for the rates, solar, buildings, transportation, air quality, and grid modeling teams.
- Led the development of the $3 million+ State and Local Planning for Energy (SLOPE) platform and Scenario Planner, led a team of more than 100 contributors, and served clients from eight EERE technology offices to deliver jurisdictionally resolved, decision-relevant renewable energy, efficiency, and transportation data.
- Serve as the large-scale solar siting, zoning, land use, and development subject matter expert for the BLM, SolSmart, Office of Indian Energy, and others, providing technical assistance to more than 100 communities.
- Principle Investigator for the Joint Institute for Strategic Energy Analysis Sustainable Communities Catalyzer, leading the development of NREL capabilities in supporting equitable clean energy transitions at the local level.
- Led the $2.5 million Cities Leading through Energy Analysis and Planning (Cities-LEAP) project, which generated an energy profile for every U.S. city, served as PI for the State and Local Energy Data site which hosted the data.
- Proposed and served as PI for the foundation-funded Kingston, NY Equitable Clean Energy Transitions project.
- Proposed and served as Co-PI for the PV Stormwater Management Research and Testing (PV-SMaRT) project.
- Served as the Acting Manager of the 19-member Integrated Decision Support Group.
- Key outreach and education leader, presenting NREL's tools and analysis to hundreds of people each year.
- Provide thought leadership as a peer reviewer for organizations including ACEEE, World Resources Institute, Environmental Protection Agency, Stockholm Environment Institute, and DOE's Justice40 programming.

Awards

- 2024 Clean Energy Education and Empowerment (C3E) Mid-Career Award Finalist
- 2021 Staff Award for Outstanding New Partnership
- 2021 Business Development Council Partnership Recognition for leadership in securing the LA100 Equity Strategies $9.3 million contract
- 2019 Staff Outstanding Performance Award for leadership in urban planning and energy decision science
- 2018 Chairman Award for Exceptional Performance
- 2017 Team of the Month award for enhancing geographically resolved research capabilities
- 2016 Director's Award for outstanding technical expertise and perseverance in developing energy decision-making tools for cities

Senior Project Planner, *juwi solar Inc., Boulder, CO* 2008 - 2014

- Managed the Planning Group, which was responsible for siting, securing entitlements, environmental and regulatory compliance, and all permits for more than 173 MW of PV in 10 states.
- Led community relations with local elected officials, neighbors, and stakeholders at prospective solar farm sites.
- Served as a business development lead, developing proposals for utilities, industries, and institutions.
- Selected and managed environmental, planning, and civil engineering subcontractors.
- Led internal site plan development in coordination with engineering and construction teams.

Community Relations Manager, *Colorado College, Colorado Springs, CO* 2004 - 2005

- Worked with community and college leaders to improve college relations and develop partnerships.
- Served as a community liaison for the college.
- Launched and edited a community newsletter for college neighbors.
- Developed and implemented outreach and public relations strategies.

Campaign Manager, *U.S. Senate campaign, CO* 2002 - 2004

- Directed media, budgeting, fundraising, volunteers, message development, federal reporting, and planning.
- Advised on policy positions.
- Generated press coverage on 20 radio stations and in 37 different newspapers.
- Organized more than 225 speeches, 400 delegates, 650 volunteers, and 900 contributors.

Director, *Citizens Project, Colorado Springs, CO* 1996 – 2001
Coordinator 1995 – 1996

- Directed staff, programs, fundraising, budgeting, volunteers, strategic planning, and public and media relations.
- Directed candidate surveys and forums and ballot issue debates for local and statewide elections.
- Chaired or co-chaired multiple ballot issue campaigns and community initiatives related to equity and inclusion.
- Served as editor of the monthly publication, which reached 44,000 people.

EDUCATION/CERTIFICATION

Certified Planner, American Institute of Certified Planners (AICP)
University of Colorado at Denver, MA, Urban and Regional Planning 2008
Land Use and Environmental Planning Concentration
Thesis: Greenhouse Gas Emissions Inventory and Measures Analysis for Manitou Springs, Colorado
Colorado College, Bachelor of Arts; Major: History; Minor; Central American Culture & Society 1994

SELECTED PUBLICATIONS

Day, Megan, Kate Anderson, Sonja Berdahl. “Planning Equitable Utility Programs.” *Public Power Magazine*. September 6, 2024. https://www.publicpower.org/periodical/article/planning-equitable-utility-programs.

Co-author: LA100 Equity Strategies Full Report, Executive Summary, Website, Chapter 5: Low-Income Energy Bill Equity and Affordability; Chapter 8: Equitable Rooftop Solar Access and Benefits; Chapter 9: Equitable Community Solar Access and Benefits; Chapter 10: Household Transportation Electrification; Chapter 11: Truck Electrification for Improved Air Quality and Health.

NREL. *State and Local Planning for Energy (SLOPE)*. https://gds.nrel.gov/slope. SLOPE Scenario Planner. 2024.

McCall, James, Jennifer Daw, **Megan Day**, et al. 2023. PV Stormwater Management Research and Testing (PV-SMaRT): Final Technical Report. NREL/TP-6A20-87555. https://www.nrel.gov/docs/fy24osti/87555.pdf.

Elizabeth Ross, **Megan Day**, et al. “Intersections of disadvantaged communities and renewable energy potential: Data set and analysis to inform equitable investment prioritization in the United States,” *Renewable Energy Focus*, Volume 41, 2022, Pages 1-14, ISSN 1755-0084, https://doi.org/10.1016/j.ref.2022.02.002. (and presentation)

Elizabeth Ross, **Megan Day**. *Community Energy Planning: Best Practices and Lessons Learned in NREL’s Work with Communities*. 2022, NREL/TP-6A50-82937. https://www.nrel.gov/docs/fy22osti/82937.pdf.

Christiana Ivanova, **Megan Day**. *Local Power: Comparing County-Level Renewable Energy Potential to Consumption Using the SLOPE Platform*. 2022, NREL/TP-6A50-81378. https://www.nrel.gov/docs/fy22osti/81378.pdf.

Day, Megan, “Are You Solar Ready? Seven steps to successfully manage large-scale solar development.” *Planning* 86, no. 3 (2020): 46-53. https://www.planning.org/planning/2020/mar/are-you-solar-ready/.

Equitable Clean Energy Transitions for Small Communities. 2020. Golden, CO: National Renewable Energy Laboratory. NREL/FS-7A40-76309. https://www.nrel.gov/docs/fy20osti/76309.pdf.

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Ma, Ookie, **Megan Day**, et al. 2019. *Low-Income Energy Affordability Data (LEAD) Tool Methodology*. NREL/TP-6A20-74249. https://www.nrel.gov/docs/fy19osti/74249.pdf.

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Day, Megan, "Local Solar: What do leading solar communities have in common? It may not be what you expect." *Planning* 81, no. 11 (2015): 28-33. http://www.nrel.gov/docs/fy16osti/64883.pdf.

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Day, Megan, "Thinking Globally, Acting Municipally: Three Colorado Cities' Strategies to Reduce Greenhouse Gasses." *The Western Planner Journal*. Vol. 29, no. 1 (2008): 9-12. Named 2008 Article of the Year.

Blogs: "NREL's Latest Cities-LEAP Work Provides Unique Solutions to Local Governments," "Research and Analysis Demonstrate the Lack of Impacts of Glare from Photovoltaic Modules," "Best Practices in Zoning for Solar," "Top Five Large-Scale Solar Myths," "The RAPID Toolkit: Facilitating utility-scale renewable energy development."

SELECTED SPEAKING ENGAGEMENTS

Panelist, Moderator, *American Planning Association National Conference*	2015, 2017, 2018, 2021, 2022, 2023, 2024
Presenter, Facilitator, *RE+, Solar Power International*	2011, 2012, 2024
Panelist, *Large Public Power Council*	2024
Speaker, *Industry Growth Forum*	2024
Panelist, *American Planning Association Colorado Chapter Conference*	2014, 2016, 2019, 2022
Panelist, *Association of Metropolitan Planning Organizations National Conference*	2022
Presenter, *International Association for Energy Economics*	2021
Panelist, *American Planning Association Southern States Regional Conference*	2020
Moderator, Panelist, *Smart Cities Connect Conference*	2020
Panelist, *National Association of Counties Annual Conference*	2018
Panelist, *Upper Midwest Regional Planning Conference*	2018

SELECTED LEADERSHIP EXPERIENCE

Manitou Springs Planning Commission, *Alternate Commissioner*	2023 - present
Technical Advisory Committee, *Colorado Model Land Use Code update*	2022 - 2024
Technical Advisory Committee, *Department of Energy SolSmart national designation program*	2022
Advisory Committee, *Solar@Scale Department of Energy-funded large-scale PV planning program*	2020 - 2024
Advisory Group, *Innovative Solar Practices Integrated with Rural Economies and Ecosystems (InSPIRE)*	2018 - 2024
Member, *Colorado Renewable Energy Society Advisory Board*	2012
Chair, Co-Chair *Manitou Springs Climate and Air Quality Committee*	2006 - 2010
Steering Committee, *Colorado College Public Interest Fellowship Program*	2005 - 2006
Board Member, *The Independent Community Partnership, Colorado Springs, CO*	2001 - 2005
Member, *Colorado Springs School District 11, Mill Levy Override Oversight Committee*	2001 - 2003
Founding Board Member, *Education First, Denver, Portland, Seattle, Los Angeles*	1995 - 2002
Steering Committee, *Community Conversation on Race, Colorado Springs, CO*	1998 - 1999
Board Member, *Lowell School Nonprofit Center, Colorado Springs, CO*	1994 - 1995
Colorado Springs Leadership Institute graduate, Center for Creative Leadership	1998
Leadership Pikes Peak graduate	1997

December 21, 2025

Mayor Johnson and City Council,

I am writing to express my support for the appointment of Megan Day to be a regular commissioner. She has served as an alternate for almost two years. She has attended most of the meetings since appointment and regularly contributes to our deliberations.

Sincerely,

Alan Delwiche

Chair, Planning Commission

Memorandum

Title: Request to Change Frank DeLay from an Alternate to Regular Member of the City Planning Commission
From: City Clerk's Office
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 5 Minutes

January 20, 2026

Purpose:

Consider approving a status change request from City Planning Commission (CPC) member Frank DeLay.

Background:

CPC currently has three vacant regular member positions open and Commissioner DeLay has submitted a request to switch from an alternate to regular to fill a vacancy. Commissioner DeLay was appointed as an alternate on April 15, 2025. CPC Chair, Alan Delwiche has provided a letter of recommendation endorsing the request.

Fiscal Impact:

None.

Workload Impact:

Minimal.

Recommended Action:

Appoint Frank DeLay as a Regular Member of CPC through the approval of the consent calendar.

Good Morning,

I am applying to become a regular member of the City Planning Commission (CPC). I was appointed to the CPC as an alternate member in the middle of 2024. I have dutifully attended every meeting since that time and have come to better understand the purpose and process of the CPC. I would appreciate the opportunity to serve the city and its residents as a regular member of the CPC.

Please let me know if this email is sufficient or if you require an application.

Thank you,

Frank DeLay

FRANK DELAY
[Redacted]
[Redacted], Manitou Springs, CO 80829
[Redacted]

GOAL

Become more involved with the local community and lend my skills to help the city I live in.

PROVEN EXPERIENCE

Extensive hands-on professional experience in accounting, business planning, budgeting, investments, real estate, financial strategy, lending, information technology, government and human resources. Also an active member of the community for various non-profit organizations and government entities.

PROFESSIONAL EXPERIENCE

2024- Present
PRESIDENT AND CEO, PIKES PEAK NATIONAL BANK

2022 -2024
BRANCH PRESIDENT, VALUEBANK TEXAS, PORT ARANSAS, TEXAS

2020-2022
GRAND COUNTY TREASURER AND PUBLIC TRUSTEE, HOT SULPHUR SPRINGS, COLORADO

2020-2022
BUSINESS MANAGER/REAL ESTATE BROKER, THE LOCAL REAL ESTATE GROUP, GRANBY, COLORADO

2003 – 2020
PRESIDENT, GRAND MOUNTAIN BANK, FSB, GRANBY, COLORADO

1992 – 2003
CHIEF FINANCIAL OFFICER/COMPLIANCE OFFICER, HIGH COUNTRY BANK, SALIDA, COLORADO

1986 – 1992
SAVINGS AND LOAN EXAMINER, OFFICE OF THRIFT SUPERVISION, DENVER, COLORADO

EDUCATION

BS FINANCE, UNIVERSITY OF COLORADO, BOULDER, COLORADO

VOLUNTEER ACTIVITIES

- Board Member – Colorado Springs Philharmonic
- Cheyene Mountain Rotary Club Member
- City of Port Aransas Recreation Development Corporation Past Board Member
- Rotary Club of Port Aransas Past President
- Colorado Headwaters Land Trust Past Board Member
- Middle Park Medical Foundation Past Board Member
- Rotary Club of Granby Past President and Past Member
- Grand County BEDA Past Vice President (Small business lending fund)
- Moffat Road Railroad Museum Past Board Member and Past Treasurer
- Town of Fraser Affordable Housing Land Search Committee
- Granby Chamber of Commerce Past Board President/Treasurer
- Grand County Library Foundation Past Board Member
- Heart of the Rockies Chamber of Commerce Past Board Member/Treasurer
- Salida Kiwanis Club Past President/Member
- Trails Conservation Corp Past Member

December 21, 2025

Mayor Johnson and City Council,

I am writing to express my support for the appointment of Frank DeLay to be a regular commissioner. He has served as an alternate for the past year. He regularly attends our meetings and contributes thoughtful commentary to our deliberations.

Sincerely,

Alan Delwiche

Chair, Planning Commission

Memorandum

Title: Request to Reappoint Ann Nichols to the Manitou Springs Urban Renewal Authority Board
From: Mayor Natalie Johnson
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 5 Minutes

January 20, 2026

Purpose:
To consider reappointing Ann Nichols to the Urban Renewal Authority.

Background:
Ann Nichols' Term on the Manitou Sprungs Urban Renewal Authority Board (URA) has expired. Board President, Farley McDonough has requested that Nichols be reappointed to another term.

Fiscal Impact:
None.

Workload Impact:
Minimal.

Recommended Action:
Move to approve the reappointment of Ann Nichols

Move to deny the reappointment of Ann Nichols

Memorandum

Title: Consider Appointing Nancy Fortuin to the Manitou Springs Urban Renewal Authority Board
From: Mayor Natalie Johnson
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 10 Minutes

January 20, 2026

Purpose:

To appoint a new board member to the Manitou Springs Urban Renewal Authority (URA).

Background:

The Board's President, Farley McDonough, has submitted a request to appoint Nancy Fortuin to the URA. Under the state rules for URA Board appointments, the Mayor selects members, subject to City Council approval.

Fiscal Impact:

None.

Workload Impact:

Minimal.

Recommended Action:

Move to approve Nancy Fortuin's appointment to the Urban Renewal Authority Board.

Move to deny Nancy Fortuin's appointment to the Urban Renewal Authority Board.

Farley McDonough
Manitou Springs Urban Renewal Board, president
adamsmtcafe@gmail.com
719.323.3911

1.16.2026

To: Mayor Natalie Johnson
re: Appointment of Nancy Fortuin to MSURA

Dear Mayor Johnson,

I have received a request from Nancy Fortuin to join the MSURA Board starting March 1, 2026. Nancy has shown exceptional dedication and support in our mission to revitalize the East End of town, eliminate blight, and strengthen the tax base for the City of Manitou Springs. In her role as liaison she has brought valuable insight and perspective to our conversation and decision making. Nancy's understanding of TIF and URA objectives make her a natural fit for our Board. I believe Nancy's appointment will only enhance our capacity to advance our mission and serve the community effectively. Thank you for your consideration in this matter.

Warm Regards,

Farley McDonough

Memorandum

Title: Consider Appointing John Maynard to the Manitou Springs Urban Renewal Authority Board
From: Mayor Natalie Johnson
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 10 Minutes

January 20, 2026

Purpose:

To appoint a new board member to the Manitou Springs Urban Renewal Authority Board (URA).

Background:

The Board's President, Farley McDonough, has submitted a request to appoint John Maynard to the URA. Under the state rules for URA Board appointments, the Mayor selects members, subject to City Council approval.

Fiscal Impact:

None.

Workload Impact:

Minimal.

Recommended Action:

Move to approve John Maynard's appointment to the Urban Renewal Authority Board.

Move to deny John Maynard's appointment to the Urban Renewal Authority Board.

Farley McDonough
Manitou Springs Urban Renewal Board, president
adamsmtcafe@gmail.com
719.323.3911

1.16.2026

To: Mayor Natalie Johnson
re; John Maynard appointment to MSURA

Dear Mayor Johnson,

I have received the following request from John Maynard to join the URA Board starting March 1, 2026. John served on our commission previously and we welcome his expertise once again. Please consider my recommendation to appoint.

Warm Regards,
,
Farley McDonough

Farley,

I am a retired City and Regional Planner. I have worked as a Planning Director in Maryland and as the Manager of Land Development in Colorado Springs for public work, and as a Planning Consultant for 35 years, now retired.

My volunteer work in Manitou has been co-chair of the Manitou Elementary playground committee; initial design of the first Creek Path project from the pool to Briarhurst; recruitment of candidates for Planning Director for Denise Howell; advisor to Denise Howell regarding the city's interest in the Jaynes Property; URA board member. I have also served on numerous citizens committees in Colorado Springs regarding planning, parks and code revisions.

Thank you for thinking of me.

John

John Maynard
Manitou Springs, CO

Memorandum

Title: Approval of Audited 2024 Financials
From: Rebecca Davis, CPFO
FInance Director
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 15 Minutes

January 20, 2026

Purpose:

Emma Maslow, CPA, Audit Supervisor of Hinkle & Company PC, will present the 2024 Audited City Financials for approval by City Council. This must be done before the Audit is sent to the State Auditor's office.

Background:

As per City Charter Chapter 10 Section 9: The Council shall provide for an independent annual audit of all city accounts, and more frequent audits as may be determined to be necessary. Such audits shall be made by a certified public accountant, or a firm of certified public accountants.

Attached is:

- the Manager's Discussion and Analysis (MD&A) I wrote for the 2024 audited financials. It is written and included in the audit so that management can offer readers of the audited financials a narrative overview and analysis of the financial activities of the city that were covered in the audit, and,
- the draft of the 2024 Audited City Financials. I have reviewed it and am requesting that the auditors make a change. The change does not affect the integrity of this document, which can still be approved in its present form.
  The change I am requesting is to the General Fund fund balances. The total amount of the fund balances will remain the same, but I am requesting that the assigned, committed and unassigned fund balances be adjusted within the total amount to match what I have in the MD&A.

Fiscal Impact:

The audit cost is $19,500 and the Single Audit is an additional $5,300. Single audits are required if the City spends over $750,0000 in federally funded expenditures.

Workload Impact:
many hours

Recommended Action:
Move to approve the 2024 Audited Financials as presented.

As management of the City of Manitou Springs (the "City"), we offer readers of the City's Basic Financial Statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our basic financial statements.

Introduction

The City of Manitou Springs is a Home Rule City that was incorporated in 1876. The government structure is City Council/Mayor with the seven elected officials being responsible for all policy decisions that affect the City's financial condition. The appointed City Administrator is responsible for preparing the annual budget, which is adopted and generally amended by the City Council as needed with a final amendment by December 15th. The City Administrator is responsible for financial reporting to the City Council and the public at large.

Financial Information

The City's government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. The City's financial statements for governmental funds have been prepared using the modified accrual basis of accounting. The City's annual audit is performed by an accounting firm (Hinkle & Company, PC, Certified Public Accountants) with the contents of the audit meeting the requirements set forth by the Colorado State Auditor's Office. The financial system of the City incorporates financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. To ensure budgeting controls, the City Council approves all changes at the fund level by passage of an Ordinance amending the budget.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $69,191,275 (net position) for the primary reporting entity. Of this amount $23,440,050 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City's total net position increased by $8,821,735 during the fiscal year.

- As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $15,858,206.

- The *governmental funds* reported total unrestricted/unassigned fund balances of $8,507,236.

- The combined governmental funds remained in a positive financial condition. Based on current year expenditures, excluding the transfers out for debt service payments and capital expenditures made by other funds, the General Fund fund balance would allow the City to cover its governmental operating costs for 262 days, or a little over 8 months.

- The City's total debt, including accrued compensated absences, increased by $3,531,300 during the current fiscal year. Existing debt was reduced by principal payments (not including compensated absences) totaling $924,344.

- General Fund sales/use tax revenue in 2024, $9,302,718, decreased by 4.50% or $437,958, from 2023 sales/use tax revenue of $9,740,676.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Manitou Springs' basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the City include the following governmental funds: General Fund, Conservation Trust Fund, Rural Transportation Authority Fund, Law Enforcement Fund, El Paso/Beckers Park Fund, Open Space Fund, Downtown Improvement Fund, Capital Improvements Fund and the MACH Fund. The business-related activities of the City include Water, Sewer, Storm Drainage utilities and the Mobility & Parking Enterprise Fund which is supported by parking revenues. In addition to the governmental and business-related activities, which are the primary government, the financial statements include the discrete presentation of a component unit of the City. The Manitou Springs Urban Renewal

Authority, "URA", was created to reduce, eliminate, and prevent the spread of blight and to stimulate growth and investment within the area to the east of Highway 24.

It is fiscally dependent upon the City due to its revenues being provided by tax-increment financing through property and sales taxes. The URA receives a property tax increment, and on a yearly basis, City Council may allocate municipal sales tax increments to the URA when it submits a financing plan to council. Tax-increment financing is also considered evidence of financial burden (commitment of the primary government's taxing power).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, and the nonmajor funds. Individual fund data for nonmajor governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the Government-wide financial statements. The City uses enterprise funds to account for its water, sewer, storm drainage and mobility/parking activities. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City used a fiduciary fund to account for the Manitou Springs Metropolitan District in 2024.

Notes to the financial statements. The notes provide additional information that is essential to a better understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

Combining individual fund financial statements and schedules are presented immediately following the required supplementary information for additional financial analysis.

Government-wide Financial Analysis

- As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $69,191,275 at the close of the fiscal year.

- The City's net investment in capital assets is $43,647,8199. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- The balance of *unrestricted net position* $23,440,050 may be used to meet the government's ongoing obligations to citizens and creditors.

- At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

City of Manitou Springs Net Position

Governmental activities: Governmental activities increased the City's net position by $6,395,599. In 2024, sales tax/use revenues, $9,911,237 comprised approximately 63% of all governmental activities' revenues and transfers. This is a decrease in percentage of 5% from 2023, which was 68% of all governmental revenues and transfers. While this decrease is partially due to decreased sales tax, it is also due to increased investment revenue from a higher interest rate and increased property tax revenues from increased property values.

Business-Type activities: Business-type activities increased the City's net position by $2,426,136. The Water Fund had an increase in net position of $2,538,485. The Sewer Fund an increase of $304,929. The Storm Drainage fund a decrease of $143,831, and the Mobility & Parking Enterprise's decrease was $273,447. The Water and Sewer Funds are increasing charges for services every year due to a Water/Sewer Rate study performed in 2024, approved by Ordinance 2624. This ensures positive net positions. Storm Drainage's decrease is due to operation costs being higher than revenues. A 2023 Rate Study is now being utilized to increase rates on an annual basis. An assigned fund was moved from the Mobility & Parking Fund to the General Fund which explains the decrease in its net position.

	Governmental Activities		Business-type Activities		Totals	
	2023	**2024**	2023	**2024**	2023	**2024**
Current and other assets	$18,514,701	**$18,760,577**	$8,883,501	**$13,187,837**	$27,398,202	**$31,948,414**
Non-current assets	24,135,297	**29,897,736**	20,565,189	**21,870,579**	44,700,486	**51,768,315**
Total assets	42,649,998	**48,658,313**	29,448,690	**35,058,416**	72,098,688	**83,716,729**
Deferred Outflows of Resources	3,114,852	**2,254,018**	555,889	**355,163**	3,670,741	**2,609,181**
Total current liabilities	1,497,392	**1,554,398**	1,535,440	**1,278,415**	3,032,832	**2,832,813**
Total non-current liabilities	6,324,214	**4,785,493**	4,707,757	**7,949,082**	11,031,971	**12,734,575**
Total Liabilities	7,821,606	**6,339,891**	6,243,197	**9,227,497**	14,064,803	**15,567,388**
Deferred Inflows of Resources	1,317,629	**1,551,226**	17,457	**16,021**	1,335,086	**1,567,247**
Net Position:						
Net Investment in Capital Assets	22,765,992	**28,867,078**	16,992,655	**14,780,741**	39,758,647	**43,647,819**
Restricted	2,048,465	**2,103,406**			2,048,465	**2,103,406**
Unrestricted	11,811,158	**12,050,730**	6,751,270	**11,389,320**	18,562,428	**23,440,050**
Total net position	$36,625,615	**$43,021,214**	$23,743,925	**$26,170,061**	$60,369,540	**$69,191,275**

Changes in Net Position

Revenues:	Governmental Activities		Business-type Activities		Total	
	2023	**2024**	2023	**2024**	2023	**2024**
Program Revenues:						
Charges for Services	$577,055	**$1,167,253**	$6,835,014	**$7,137,326**	$7,412,069	**$8,304,579**
Operating Grants and Contributions	3,947,160	**4,050,621**	887,267	**2,372,779**	4,834,427	**6,423,400**
Capital Grants and Contributions	-	**-**	86,968	**49,592**	86,968	**49,592**
General Revenues						
Taxes	14,046,009	**13,701,439**	-	-	14,046,009	**13,701,439**
Investment Income	669,382	**766,037**	332,641	**269,206**	1,002,023	**1,035,243**
Other	241,271	**119,805**	137,642	**122,347**	378,913	**242,152**
Total General & Program Revenues	19,480,877	**19,805,155**	8,279,532	**9,951,250**	27,760,409	**29,756,405**
Transfers	320,845	**1,088,034**	(320,845)	**(1,088,034)**		**-**
Total Revenues	19,801,722	**20,893,189**	7,958,687	**8,863,216**	27,760,409	**29,756,405**
Expenses:						
General Government	5,436,328	**4,721,791**	-	**-**	5,436,328	**4,721,791**
Public Safety	3,960,637	**4,127,958**	-	**-**	3,960,637	**4,127,958**
Public Works	1,543,461	**1,603,044**	-	**-**	1,543,461	**1,603,044**
Parks & Recreation	2,455,918	**2,906,114**	-	**-**	2,455,918	**2,906,144**
Capital Outlay	1,299,877	**1,091,378**	-	-	1,299,877	**1,091,378**
Interest on Long term Debt	(75,731)	**47,905**	-	-	(75,731)	**47,905**
Business-type Activities	-	**-**	6,129,327	**6,437,080**	6,129,327	**6,437,080**
Total Expenses	14,620,490	**14,497,590**	6,129,327	**6,437,080**	20,749,817	**20,934,670**
Increase (Decrease) in Net Position	5,181,232	**6,395,599**	1,829,360	**2,426,136**	7,010,592	**8,821,735**
Beginning Net Position	31,444,383	**36,625,615**	21,914,565	**23,743,925**	53,358,948	**60,369,540**
Ending Net Position	$36,625,615	**$43,021,214**	$23,743,925	**$26,170,061**	$60,369,540	**$69,191,275**

The City's total net position increased by $8,821,735 during the current fiscal year.

Financial Analysis of the City's Funds

Governmental funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $15,858,206. OF this total amount, 53.6% or $8,507,236 constitutes *unrestricted/unassigned fund balance.* The remainder of the fund balance is *restricted, committed or assigned* to indicate that it is not available for new spending.

General Fund total revenues exceeded expenditures by $3,263,078 (not including transfers). Transfers out from the fund totaled $2,635,767. The net fund balance increased by $1,746,311. The General Fund finished 2024 with an ending fund balance of $9,059,871. This includes restricted, committed, and assigned as well as unassigned fund balances. Sales tax decreased by $451,711 from 2023. This is attributed to a decrease in retail marijuana sales. This is occurring statewide and began in 2023 and continued into 2024.

The Capital Improvements Fund's largest project in 2024 was the Carnegie Library remodel at a cost of $4,131,864 which is now nearly complete. This project was funded through a combination of MACH Fund grants, previous allocations, the Timothy Jayne bequest, several grants including the El Pomar Foundation, a Community Development Block Grant (CDBG), and a Colorado State Historic Foundation Grant, advanced rental payments from the Pikes Peak Library District and multiple donations.
Other projects included:

- $817,928 police station remodel which was funded by a Colorado Department of Local Affairs (DOLA) grant with $350,000 grant match from the City,
- $575,883 pool improvements (start of locker rooms remodel & roof repair design),
- $266,802 design for the Ruxton Corridor which is a multi-year improvement project being funded by a Pikes Peak Area Council of governments (PPCOG) grant through the Colorado Department of Transportation (CDPT) and transfers from the Assigned Barr Trail Parking lot fund,
- $258,410 design work for Soda Springs Park Phase 2,
- $120,817 Thirteen Self-contained breathing apparatus (SCBA) for Fire dept,
- $81,462 work on Creek Walk Trail phase 4
- $63,103 completion of Public Works Bay exhaust remodel,
- $52,706 design work on Hiawatha Gardens,
- $45,302 Creekwalk Serpentine funded through a CDOT grant and City match,
- $44,796 the beginning of a replacement of downtown street signs project,
- $38,712 tables & chairs and the addition of a storage room in Memorial Hall in City Hall,
- $10,653 furnace for the Fire station
- $6,063 for Cemetery software that was funded by a previous year's Lease Purchase,

A transfer from the General Fund funded the following equipment purchases:

- $88,463 Public Services tool cat
- $73,570 Police patrol vehicle,
- $72,021 computer equipment,
- $64,538 Public Services skid loader,
- $49,996 Public Services facilities F150 truck,
- $32,500 Public Services portable building for sign shop,
- $25,871 Police camera system,
- $15,447 Public Services yard ramp,
- $6,850 Public Services scissor lift,
- $5,895 Public Services pressure washer,
- $5,216 Public Services nursery jaws for tool cat,

East End generated sales tax which was provided in previous years by the URA forgoing its sales tax TIF and which was dedicated to capital improvements funded the following:

- $66,057 street improvements (design, chip seal, striping, shuttle benches),
- $54,470 ADA improvements – Fields and Schriver Park restroom remodel completions
- $25,494 Police fingerprint machine

Enterprise Funds

The Storm Drainage Fund's regular operations was funded through a $19 fee, which is applied to all utility bills. The fund had an overall decrease in net position of $143,831. This is due to depreciation in the amount of $461,254. A Rate Study was performed in 2023 which is providing a series of annual increases to ensure the fund stays solvent.

The Water Fund serves approximately 2,200 users with a distribution system including a reservoir, freshwater treatment plant and two storage tanks. The distribution system delivered an average of 457,983 gallons of fresh water per day in 2024. The Fund had an overall gain in net position of $2,538,485. This increase is mainly due to loan forgiveness for a Colorado Water Resources & Power Development Authority (CWRPDA) 2024 loan for $1,142,509 and the recognition of the American Rescue Plan Act (ARPA) grant funding revenue of $1,072,803 and receipt of a Colorado Department of Local Affairs (DOLA) Energy/Mineral Impact Assistance Fund grant for $120,740. The city completed a Rate Study in 2024 which was implemented. Rates continue to increase to cover the increased costs of repairing and replacing aging infrastructure. Due to being landlocked the Water Fund cannot depend on tap fees for these capital costs. An average of two taps is sold on an annual basis.

The Sewer Enterprise Fund serves the same approximate 2,200 utility users as the water distribution system. The City of Manitou Springs does not have sewage treatment capability and relies on the neighboring city of Colorado Springs for wastewater treatment at their facility. Sewer rates for residential users are determined by water usage per customer during the months of January and February of each year. For commercial users the rate is determined by the monthly water usage. The Sewer Fund had an overall increase of $304,929.

The Mobility and Parking Fund was formed in 2022. Its purpose is to utilize parking fees to improve the City's mobility and help improve its parking issues. In 2024, the Dillon Motel property at 132-134 Manitou Ave, was purchased, for $400,735, and the lot (previously a car wash) at 142 Manitou Ave for $641,691, to be renovated into a parking office and a mobility hub. In addition to the property purchases, a utility vehicle ($26,696), five parking kiosks ($46,457) and a Dome camera for the City Hall parking lot ($28,273) were purchased. The Mobility and Parking Fund had an overall decrease of $273,447. This is due to the transfer of the Assigned Barr Trail Parking Lot fund balance ($758,199) and its revenues and expenditures to the General Fund.

General Fund Budgetary Highlights

As a matter of policy, the City amends its budget twice during each year: once at mid-year and again a final amendment at the end of its fiscal year in December. The City believes that this amendment practice gives the City tight control over expenditures related to revenue performance in a timelier manner.

Actual General Fund revenues were greater than the amended budget by $121,292. This is attributed to conservative budgeting. Actual General Fund expenditures were less than the amended budgeted amount by $1,872,045. This is attributed to conservative budgeting, salary savings and department heads maintaining type control of expenditures.

Capital Assets and Debt Administration

Capital assets. The City's capital assets for its governmental and business-type activities as of December 31, 2024, were $51,768,315 (net of accumulated depreciation). Capital assets include land, buildings, improvements, infrastructure, machinery, equipment, and vehicles. Major additions to capital assets in 2024 included the near completion of the Carnegie Library, the police station remodel, street improvements, restroom remodels, Public Services & Police equipment and two vehicles.

Capital assets at the end of the current fiscal year included the following:

CAPITAL ASSETS

	Governmental Activities	Business-type Activities	Total
Land and Land Improvements	$ 11,966,454	$ 1,775,051	$13,741,505
Construction in Progress	6,440,431	2,319,751	8,760,182
Buildings	4,460,026	325,238	4,785,264
Equipment and Vehicles	6,845,772	-	6,845,772
Collection and Distribution Improvements	-	32,150,665	32,150,665
Machinery and Equipment	-	6,094,084	6,094,084
Infrastructure	18,031,680	-	18,031,680
Total	**47,744,363**	**42,664,789**	**90,409,152**
Accumulated Depreciation	(17,846,627)	(20,794,210)	(38,640,837)
Net Capital Assets	**$ 29,897,736**	**$ 21,870,579**	**$ 51,768,315**

Additional information on the City's capital assets can be found in Note 3.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of $8,120,496 (net of compensated absences). Of this amount, $853,436 is from ARRA non-interest-bearing loans from 2009. For 2020, the City acquired two Environmental Protection Agency (EPA) 2.5% interest bearing loans currently totaling $1,165,911. $298,019 is a state loan for a small hydropower plant. And in 2024, two additional EPA 3.25% interest bearing loans totaling $3,469,474 were added. All are administered through the Colorado Water Resource & Power Development Authority (CWRPDA), for water/sewer improvements.

In addition to the loans, the City has $2,328,051 in lease purchases for various equipment and vehicles obtained in previous years, from 2016 through 2025. $883,660 total debt (net of compensated absences) will be due in 2025.

Additional information on the City's long-term debt can be found in Note 4.

Economic Factors and Next Year's Budget

As a tourism-based economy, general sales tax collection has been considered a leading barometer of economic activity within the City of Manitou Springs. The City of Manitou Springs is not a self-collecting entity but relies upon the Colorado Department of Revenue for the collection of the City's sales taxes. This reliance results in a two-month lag between a taxable sale and the remittance of the corresponding sales tax to the City. Additionally, the City's prime industry is tourism with seasonal characteristics.

Taxable sales in 2024 increased in comparison to those in 2023 by 4.3%. However, retail marijuana sales decreased and the special retail marijuana sales tax of 10% was also impacted negatively.

Since 2020, taxable sales have performed as follows.

FY2020	$120,698,778
FY2021	$159,512,039
FY2022	$160,773,616
FY2023	$157,991,621
FY2024	$164,746,266

All the above facts were considered during the preparation of the City's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Office
City of Manitou Springs
606 Manitou Avenue
Manitou Springs, CO 80829

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City of Manitou Springs, Colorado

Financial Statements
with Independent Auditor's Report

December 31, 2024

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City of Manitou Springs, Colorado

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City of Manitou Springs, Colorado

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Independent Auditor's Report

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manitou Springs, Colorado (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the local highway finance report listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the local highway finance report listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated (Date) on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Englewood, Colorado
(Date)

Basic Financial Statements

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City of Manitou Springs, Colorado
Statement of Net Position
December 31, 2024

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Manitou Springs Urban Renewal Authority
Assets				
Cash and Investments	$ 14,311,122	$ 7,308,800	$ 21,619,922	$ 814,440
Restricted Cash	322,503	5,074,749	5,397,252	-
Accounts Receivable	1,030,256	804,186	1,834,442	-
Property Taxes Receivable	1,347,973	-	1,347,973	178,133
Grants Receivable	218	102	320	-
Due from Other Governments	1,748,505	-	1,748,505	-
Capital Assets,				
Not being depreciated	13,886,080	3,899,619	17,785,699	-
Net of accumulated depreciation	16,011,656	17,970,960	33,982,616	-
Total Assets	48,658,313	35,058,416	83,716,729	992,573
Deferred Outflows of Resources				
Pension Related Outflows of Resources	2,193,616	337,415	2,531,031	-
OPEB Related Outflows of Resources	60,402	17,748	78,150	-
Total Deferred Outflows of Resources	2,254,018	355,163	2,609,181	-
Liabilities				
Accounts Payable	1,194,047	1,188,277	2,382,324	3,882
Accrued Liabilities	360,351	39,894	400,245	-
Accrued Interest	-	50,244	50,244	-
Noncurrent Liabilities				
Due Within One Year	809,759	655,730	1,465,489	-
Due in More Than One Year	744,230	6,492,606	7,236,836	-
Net Pension Liability	3,035,960	743,290	3,779,250	-
Net OPEB Liability	195,544	57,456	253,000	-
Total Liabilities	6,339,891	9,227,497	15,567,388	3,882
Deferred Inflows of Resources				
Property Taxes	1,347,973	-	1,347,973	178,133
Pensions, Net of Accumulated Amortization	148,730	-	148,730	-
OPEB, Net of Accumulated Amortization	54,523	16,021	70,544	-
Total Deferred Inflows of Resources	1,551,226	16,021	1,567,247	178,133
Net Position				
Net Investment in Capital Assets	28,867,078	14,780,741	43,647,819	-
Restricted				
Capital Projects	322,503	-	322,503	-
Parks and Open Space	1,773,092	-	1,773,092	-
Law Enforcement	7,811	-	7,811	-
Unrestricted	12,050,730	11,389,320	23,440,050	810,558
Total Net Position	$ 43,021,214	$ 26,170,061	$ 69,191,275	$ 810,558

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado
Statement of Activities
For the Year Ended December 31, 2024

		Program Revenues			Net (Expense) Revenue and Change in Net Position			
					Primary Government			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Manitou Springs Urban Renewal Authority
Primary Government								
Governmental Activities								
General Government	$ 4,721,191	$ 160,280	$ 10,863	$ -	$ (4,550,048)	$ -	$ (4,550,048)	$ -
Public Safety	4,127,958	372,620	374,109	-	(3,381,229)	-	(3,381,229)	-
Public Works	1,603,044	57,500	531,851	-	(1,013,693)	-	(1,013,693)	-
Parks and Recreation	2,906,114	576,853	1,870,811	-	(458,450)	-	(458,450)	-
Capital Outlay	1,091,378	-	1,262,987	-	171,609	-	171,609	-
Interest on Long-Term Debt	47,905	-	-	-	(47,905)	-	(47,905)	-
Total Governmental Activities	14,497,590	1,167,253	4,050,621	-	(9,279,716)	-	(9,279,716)	-
Business-Type Activities								
Storm Drainage	737,431	494,775	-	-	-	(242,656)	(242,656)	-
Water	1,866,247	2,141,920	2,336,052	32,459	-	2,644,184	2,644,184	-
Sewer	1,295,310	1,447,539	36,727	17,133	-	206,089	206,089	-
Mobility and Parking	2,538,092	3,053,092	-	-	-	515,000	515,000	-
Total Business-Type Activities	6,437,080	7,137,326	2,372,779	49,592	-	3,122,617	3,122,617	-
Total Primary Government	$ 20,934,670	$ 8,304,579	$ 6,423,400	$ 49,592	(9,279,716)	3,122,617	(6,157,099)	-
Component Unit								
Manitou Urban Renewal Authority	$ 205,009	$ -	$ -	$ -	-	-	-	(205,009)
General Revenues								
Property Taxes					1,362,601	-	1,362,601	184,449
Sales and Use Taxes					9,911,237	-	9,911,237	-
Amusement and Lodging					1,599,986	-	1,599,986	-
Franchise Fees					426,154	-	426,154	-
Auto Taxes					401,461	-	401,461	-
Fines and Forfeitures					36,304	-	36,304	-
Miscellaneous					12,425	122,347	134,772	25,000
Investment Income					766,037	269,206	1,035,243	83
Gain on Sale of Assets					71,076	-	71,076	-
Transfers					1,088,034	(1,088,034)	-	-
Total General Revenues and Transfers					15,675,315	(696,481)	14,978,834	209,532
Change in Net Position					6,395,599	2,426,136	8,821,735	4,523
NET POSITION, *Beginning of Year*					36,625,615	23,743,925	60,369,540	806,035
NET POSITION, *End of Year*					$ 43,021,214	$ 26,170,061	$ 69,191,275	$ 810,558

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Balance Sheet
Governmental Funds
December 31, 2024

	General	Capital Improvements Fund	Other Governmental Funds	Total
Assets				
Cash and Investments	$ 8,222,557	$ 4,344,951	$ 1,743,614	$ 14,311,122
Restricted Cash and Investments	-	322,503	-	322,503
Property Taxes Receivable	1,102,737	57,874	187,362	1,347,973
Accounts Receivable	113,258	916,998	-	1,030,256
Grants Receivable	218	-	-	218
Due From Other Governments	1,453,620	-	294,885	1,748,505
Total Assets	$ 10,892,390	$ 5,642,326	$ 2,225,861	$ 18,760,577
Liabilities				
Accounts Payable	$ 369,431	$ 708,231	$ 116,385	$ 1,194,047
Accrued Liabilities	360,351	-	-	360,351
Total Liabilities	729,782	708,231	116,385	1,554,398
Deferred Inflows of Resources				
Property Taxes	1,102,737	57,874	187,362	1,347,973
Fund Balance				
Restricted				
Capital Projects	-	322,503	-	322,503
Parks and Open Space	-	-	1,773,092	1,773,092
Law Enforcement	-	-	7,811	7,811
Committed				
Imaging Technology	8,205	-	-	8,205
Capital Projects	-	1,957,561	-	1,957,561
Assigned				
Capital Projects	(1,001)	2,596,157	141,211	2,736,367
Parks and Trails	40,489	-	-	40,489
Police and Fire	13,500	-	-	13,500
Unrestricted, Unassigned	8,998,678	-	-	8,998,678
Total Fund Balance	9,059,871	4,876,221	1,922,114	15,858,206
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	$ 10,892,390	$ 5,642,326	$ 2,225,861	$ 18,760,577

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balance of Governmental Funds	$ 15,858,206
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	
Capital assets, not being depreciated	13,886,080
Capital assets, being depreciated	33,858,283
Accumulated depreciation	(17,846,627)
	29,897,736
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds	
Net Pension Liability	(3,035,960)
Pension related deferred outflows of resources	2,193,616
Pension related deferred inflows of resources	(148,730)
Net OPEB liability	(195,544)
OPEB related deferred outflows of resources	60,402
OPEB related deferred inflows of resources	(54,523)
	(1,180,739)
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not due and payable in the current year and, therefore, are not reported in governmental funds.	
Capital leases payable	(1,030,658)
Accrued compensated absences	(523,331)
	(1,553,989)
Total Net Position of Governmental Activities	$ 43,021,214

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Capital Improvements Fund	Other Governmental Funds	Total
Revenues				
Taxes	$ 12,847,477	$ 58,606	$ 795,356	$ 13,701,439
Licenses and Permits	171,502	-	-	171,502
Charges for Services	995,751	-	-	995,751
Intergovernmental	297,824	3,004,040	694,813	3,996,677
Fines and Forfeitures	30,927	-	5,377	36,304
Contributions and Donations	53,944	-	-	53,944
Investment Income	708,180	12,888	44,969	766,037
Miscellaneous	10,870	-	1,555	12,425
Total Revenues	15,116,475	3,075,534	1,542,070	19,734,079
Expenditures				
Current				
General Government	3,744,085	-	-	3,744,085
Public Safety	4,129,315	-	-	4,129,315
Public Works	1,409,148	-	33,279	1,442,427
Parks and Recreation	2,248,935	6,063	651,116	2,906,114
Capital Outlay	321,914	7,322,864	632,737	8,277,515
Debt Service				
Principal	-	338,645	-	338,645
Interest and Fiscal Charges	-	47,935	-	47,935
Total Expenditures	11,853,397	7,715,507	1,317,132	20,886,036
Excess Revenues Over (Under) Expenditures	3,263,078	(4,639,973)	224,938	(1,151,957)
Other Financing Sources (Uses)				
Proceeds from Sale of Assets	71,076	-	-	71,076
Debt Proceeds	-	28	-	28
Transfers In	1,047,924	2,735,767	-	3,783,691
Transfers Out	(2,635,767)	-	(59,890)	(2,695,657)
Other Financing Sources (Uses)	(1,516,767)	2,735,795	(59,890)	1,159,138
Net Change in Fund Balance	1,746,311	(1,904,178)	165,048	7,181
Fund Balance, *Beginning of Year*	7,313,560	6,780,399	1,757,066	15,851,025
Fund Balance, *End of Year*	$ 9,059,871	$ 4,876,221	$ 1,922,114	$ 15,858,206

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2024

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balance of Governmental Funds	$	7,181
Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital Outlays		7,187,494
Depreciation Expense		(1,425,055)
		5,762,439
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in Net Pension Liability		1,467,798
Change in Deferred Outflows Related to Pensions		(836,690)
Change in Deferred Inflows Related to Pensions		(58,227)
Change in Net OPEB Liability		53,597
Change in Deferred Outflows Related to OPEB		(24,144)
Change in Deferred Inflows Related to OPEB		6,319
		608,653
Repayments of long-term liabilities are expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities.		
Principal payments on long-term leases		338,647
Change in accrued compensated absences		(321,321)
Change in Net Position of Governmental Activities	$	6,395,599

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado
Statement of Net Position
Proprietary Fund
December 31, 2024

Assets	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Current Assets					
Cash and Investments	$ 1,452,867	$ 1,748,753	$ 3,524,418	$ 582,762	$ 7,308,800
Restricted Cash and investments	8,976	4,053,000	450,000	562,773	5,074,749
Accounts Receivable	45,734	501,702	201,827	54,923	804,186
Grants Receivable	102	-	-	-	102
Total Current Assets	1,507,679	6,303,455	4,176,245	1,200,458	13,187,837
Noncurrent Assets					
Capital Assets, Net of accumulated depreciation	7,275,684	9,369,044	2,248,402	2,977,449	21,870,579
Total Noncurrent Assets	7,275,684	9,369,044	2,248,402	2,977,449	21,870,579
Total Assets	$ 8,783,363	$ 15,672,499	$ 6,424,647	$ 4,177,907	$ 35,058,416
Deferred Outflows of Resources					
Pension Related Outflows of Resources	$ 32,687	$ 105,637	$ 56,607	$ 142,484	$ 337,415
OPEB Related Outflows of Resources	1,719	5,556	2,978	7,495	17,748
Total Deferred Outflows of Resources	$ 34,406	$ 111,193	$ 59,585	$ 149,979	$ 355,163
Liabilities					
Current Liabilities					
Accounts Payable	$ 61,245	$ 698,580	$ 51,973	$ 376,479	$ 1,188,277
Accrued Liabilities	3,420	18,344	10,003	8,127	39,894
Accrued Compensated Absences	5,283	18,251	10,144	24,820	58,498
Accrued Interest Payable	5,074	12,746	14,667	17,757	50,244
Leases Payable, Current Portion	60,309	10,136	104,229	101,083	275,757
Loans Payable, Current Portion	-	321,475	-	-	321,475
Total Current Liabilities	135,331	1,079,532	191,016	528,266	1,934,145
Noncurrent Liabilities					
Leases Payable	272,774	3,296	471,052	319,162	1,066,284
Loans Payable	-	4,540,776	885,546	-	5,426,322
Net Pension Liability	72,005	232,708	124,700	313,877	743,290
Net OPEB Liability	5,566	17,988	9,639	24,263	57,456
Total Noncurrent Liabilities	350,345	4,794,768	1,490,937	657,302	7,293,352
Total Liabilities	485,676	5,874,300	1,681,953	1,185,568	9,227,497
Deferred Inflows of Financial Resources					
OPEB, Net of Accumulated Amortization	1,552	5,016	2,688	6,765	16,021
Total Deferred Inflows of Resources	1,552	5,016	2,688	6,765	16,021
Net Position					
Net Investment in Capital Assets	6,942,601	4,493,361	787,575	2,557,204	14,780,741
Unrestricted	1,387,940	5,411,015	4,012,016	578,349	11,389,320
Total Net Position	$ 8,330,541	$ 9,904,376	$ 4,799,591	$ 3,135,553	$ 26,170,061

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended December 31, 2024

	Storm Drainage Fund	Water Fund	Sewer Fund	Mobility and Parking Fund	Totals
Operating Revenues					
Charges for Services	$ 494,775	$ 2,141,920	$ 1,447,539	$ 3,053,092	$ 7,137,326
Miscellaneous	67,917	471	2,537	51,422	122,347
Total Operating Revenues	562,692	2,142,391	1,450,076	3,104,514	7,259,673
Operating Expenses					
Operations	255,948	1,266,827	956,973	-	2,479,748
Capital Outlay	10,838	-	34,971	504,284	550,093
Mobility and Parking	-	-	-	1,748,898	1,748,898
Depreciation	461,254	537,611	259,093	267,153	1,525,111
Total Operating Expenses	728,040	1,804,438	1,251,037	2,520,335	6,303,850
Net Operating Income	(165,348)	337,953	199,039	584,179	955,823
Nonoperating Revenues					
Investment Income	32,308	32,555	157,043	47,300	269,206
Operating Grants and Contributions	-	1,193,543	-	-	1,193,543
Loan Forgiveness	-	1,142,509	36,727	-	1,179,236
Interest (Expense)	(9,391)	(61,809)	(44,273)	(17,757)	(133,230)
Net Income (Loss) Before Contributed Capital	(142,431)	2,644,751	348,536	613,722	3,464,578
Contributed Capital					
Tap Fees	-	32,459	17,133	-	49,592
Transfers Out	(1,400)	(138,725)	(60,740)	(887,169)	(1,088,034)
Total Capital Contributions and Transfers	(1,400)	(106,266)	(43,607)	(887,169)	(1,038,442)
Change in Net Position	(143,831)	2,538,485	304,929	(273,447)	2,426,136
Net Position, *Beginning of Year*	8,474,372	7,365,891	4,494,662	3,409,000	23,743,925
Net Position, *End of Year*	$ 8,330,541	$ 9,904,376	$ 4,799,591	$ 3,135,553	$ 26,170,061

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2024

	Storm Drainage	Water	Sewer	Mobility and Parking	Total
Cash Flows From Operating Activities					
Cash Received from Customers	$ 487,089	$ 790,484	$ 1,436,110	$ 3,051,212	$ 5,764,895
Cash Received from Others	67,917	471	2,537	51,422	122,347
Cash Paid to Suppliers	(260,248)	(395,803)	(894,633)	(1,557,720)	(3,108,404)
Cash Paid to Employees	(83,081)	(301,681)	(177,586)	(392,176)	(954,524)
Net Cash Provided by Operating Activities	211,677	93,471	366,428	1,152,738	1,824,314
Cash Flows From Capital and Related Financing Activities					
Tap Fees Received	-	32,459	17,133	-	49,592
Acquisition and Construction of Capital Assets	-	(1,538,884)	(101,202)	(1,190,415)	(2,830,501)
Issuance of Debt	-	3,053,000	509,803	540,197	4,103,000
Debt Principal Payments	(64,927)	(306,572)	(94,245)	(119,952)	(585,696)
Debt Interest Payments	(10,545)	(55,664)	(43,743)	-	(109,952)
Operating Grants and Contributions	388,453	1,193,543	-	-	1,581,996
Forgiveness of Debt	-	1,142,509	36,727	-	1,179,236
Transfers to Other Funds	(1,400)	(138,725)	(60,740)	(887,169)	(1,088,034)
Net Cash Used by Capital and Related Financing Activities	311,581	3,381,666	263,733	(1,657,339)	2,299,641
Cash Flows From Investing Activities					
Interest Received	32,308	32,555	157,043	47,300	269,206
Net Cash Used by Capital and Related Financing Activities	32,308	32,555	157,043	47,300	269,206
Net Change in Cash and Cash Equivalents	555,566	3,507,692	787,204	(457,301)	4,393,161
Cash and Cash Equivalents, *Beginning of Year*	906,277	2,294,061	3,187,214	1,602,836	7,990,388
Cash and Cash Equivalents, *End of Year*	$ 1,461,843	$ 5,801,753	$ 3,974,418	$ 1,145,535	$ 12,383,549
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities					
Net Operating Income	$ (165,348)	$ 337,953	$ 199,039	$ 584,179	$ 955,823
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	461,254	537,611	259,093	267,153	1,525,111
Changes in Assets and Liabilities Related to Operations					
Utility Receivable	(7,686)	(278,633)	(11,429)	(1,880)	(299,628)
Accounts Payable	(79,781)	550,408	(85,992)	282,769	667,404
Accrued Salaries and Benefits	75	11,016	4,621	1,373	17,085
Accrued Paid Time Off	3,163	7,919	1,096	19,144	31,322
Deferred Revenue	-	(1,072,803)	-	-	(1,072,803)
Net Cash Provided by Operating Activities	$ 211,677	$ 93,471	$ 366,428	$ 1,152,738	$ 1,824,314
Reconciliation of cash and equivalents to the statement of net position					
Cash and Investments	$ 1,452,867	$ 1,748,753	$ 3,524,418	$ 582,762	$ 7,308,800
Restricted Cash	8,976	4,053,000	450,000	562,773	5,074,749
Total Cash and Equivalents	$ 1,461,843	$ 5,801,753	$ 3,974,418	$ 1,145,535	$ 12,383,549

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado
Statement of Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2024

	Manitou Springs Metropolitan District
Assets	
Cash and Investments	$ 762,947
Property Taxes Receivable	4,451
Total Assets	$ 767,398
Liabilities	
Accounts Payable	$ 4
Due to Metropolitan District	762,943
Total Liabilities	762,947
Deferred Inflows of Resources	
Deferred Property Tax Revenues	4,451
Total Liabilities and Deferred Inflows	$ 767,398

See Notes to the Financial Statements.

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City of Manitou Springs, Colorado

Statement of Changes in Fiduciary Net Position
Manitou Springs Metropolitan District
For the Year Ended December 31, 2024

	Manitou Springs Metropolitan District
Additions	
Tax collections for other governments	$ 5,663
Charges for Services	485,611
Intergovernmental	3,004,040
Net investment earnings	37,137
Total Additions	3,532,451
Deductions	
Administrative expense	108,193
Payments to other governments	3,424,258
Total Deductions	3,532,451
Net Increase in Fiduciary Net Position	-
Net Position, *Beginning of Year*	-
Net Position, *End of Year*	$ -

See Accompanying Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

The City of Manitou Springs, Colorado (the City) is a home-rule municipality governed by a council-manager form of government through a Mayor and six-member City Council elected by the residents.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent upon it. Based on the application of the criteria, the City includes the following entities in its reporting entity.

Manitou Springs Urban Renewal Authority
The Manitou Springs Urban Renewal Authority (the URA) was created to redevelop or rehabilitate certain blighted areas within City limits. The URA has a separate governing board with members appointed by the City Council. Although the URA is legally separate from the City, the URA’s primary revenue source, tax increment financing, can only be established by the City. The URA does not issue separate financial statements and is discreetly presented in the City’s financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The *primary government* is reported separately from the legally separate *component unit* for which the City is financially accountable.

Note 1: Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements *(Continued)*

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year. Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for a specific use, it is the City's practice to use restricted resources first, then unrestricted resources as they are needed.

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation *(Continued)*

In the fund financial statements, the City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund.

The *Capital Improvements Fund* accounts for the .556 property tax mill levy used to fund capital projects and repayment of capital related debt of the City.

The City reports the following major proprietary funds:

The *Storm Drainage Fund* accounts for storm drainage fees used for the construction and maintenance of storm drainage facilities and the provision of ongoing storm water monitoring.

The *Water Fund* accounts for the financial activities associated with the provision of water services.

The *Sewer Fund* accounts for the financial activities associated with the provision of sewer services.

The *Mobility and Parking Fund* accounts for the financial activities associated with the provision of parking services.

Additionally, the City reports the following fiduciary fund type:

The *Manitou Springs Metropolitan District Fiduciary Fund* - The Manitou Springs Metropolitan District accounts for the collection of taxes and parking fees related to the District's parking facilities. The City is the collection agent and holds all resources in a purely custodial capacity.

Assets, Liabilities and Net Position/Fund Balance

Cash and Investments - Cash equivalents include investments with original maturities of three months or less. Pooled cash and investments are considered cash equivalents. Investments are reported at fair value.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

Capital Assets - Capital assets, which include land, buildings, plant, infrastructure, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	15 - 25 years
Buildings and Improvements	20 - 40 years
Infrastructure	25 - 55 years
Collection and Distribution Systems	5 - 40 years
Equipment and Vehicles	3 - 10 years

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year.

Compensated Absences - Employees of the City are allowed to accumulate unused paid time off (PTO). Upon termination or resignation of employment from the City, an employee will be compensated for all accrued PTO. Accumulated, unpaid PTO is accrued when earned in the government-wide and proprietary fund financial statements. A liability is reported in the governmental fund financial statements only when payment is due.

Pensions - The City participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to and deductions from the FNP of the LGDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Employer contributions are recognized when the compensation is payable to the employees. Investments are reported at fair value.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

Postemployment Benefits Other Than Pensions (OPEB) - The City participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer postemployment healthcare plan administered by the Public Employees' Retirement Association of Colorado (PERA). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP), and additions to and deductions from the FNP of the HCTF's have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Obligations - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt premiums, discounts and refunding losses are deferred and amortized over the life of the debt using the straight-line method. In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financial uses.

Net Position - In the government-wide and fund financial statements, net position and fund balance are restricted when constraints placed on the use of resources are externally imposed. Net position is classified into the following categories:

- *Net Investment in Capital Assets* - this classification is intended to report the portion of net position, which is associated with non-liquid, capital assets less outstanding debt related to those capital assets.

- *Restricted Net Position* - this classification includes liquid assets which have third party limitations on their use.

- *Unrestricted Net Position* - this classification includes assets that do not have any third-party limitation on their use.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items) or (b) are legally or contractually required to be maintained intact. The City did not have any nonspendable resources at December 31, 2024.

Note 1: Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position/Fund Balance *(Continued)*

- *Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City had classified emergency reserves as being restricted because State statute requires this restriction. In addition, the City had restricted amounts for open space, law enforcement and capital improvements because of voter approved taxes for these purposes.

- *Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority, the City Council. The constraint may be removed or changed only through formal action of the City Council. The City had committed resources at December 31, 2024, for future document imaging and capital improvements.

- *Assigned* - This classification includes amounts that are constrained by the City's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or changed than those imposed on committed amounts. The City had assigned resources at December 31, 2024, for future Barr Trail maintenance, capital improvements, police, fire, parks, and trails.

- *Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In the fund financial statements, governmental funds report committed fund balances when the City Council formally commits resources for a specific purpose through passage of a resolution or approval of contractual agreements with third parties.

The City Council is authorized to informally assign amounts to a specific purpose and has assigned this authority to the City Manager or other designee. Such fund balance assignments are reported in the governmental fund financial statements.

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted fund balance first, followed by committed, assigned and unassigned balances.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's Office collects property taxes and remits to the City on a monthly basis.

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

The City has evaluated subsequent events through DATE, the date the financial statements were available to be issued.

Note 2: Cash and Investments

At December 31, 2024, cash and investments consisted of the following:

Petty Cash	$ 800
Cash Deposits	2,275,093
Investments	20,921,416
Cash Held with Colorado Water & Power Authority	4,503,000
Escrow Cash	894,252
Total	$ 28,594,561

Cash is reported in the financial statements as follows:

Primary Government Cash and Investments	$ 21,619,922
Primary Government Restricted Cash and Investments	5,397,252
Urban Renewal Authority	814,440
Fiduciary Fund	762,947
Total	$ 28,594,561

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depositories. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. As of December 31, 2024, the City and the URA had bank deposits of $1,474,584 and $564,440, respectively, collateralized with securities held by the financial institutions' agents but not in their name.

Investments

The City is required to comply with State statutes which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which local governments may invest, which include the following. State statutes do not address custodial risk.

- Obligations of the United States and certain U.S. Agency securities.

Note 2: Cash and Investments (Continued)

Investments *(Continued)*

- Certain international agency securities.
- General obligation and revenue bonds of U.S. local government entities.
- Bankers' acceptances of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by certain authorized securities.
- Certain money market funds.
- Guaranteed investment contracts.
- Certificates of deposits.

Interest Rate Risk - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

Concentration of Credit Risk - State statutes do not limit the amount the City may invest in one issuer, except for corporate securities.

Local Government Investment Pool - At December 31, 2024, the City had $20,921,416 invested in the Colorado Local Government Liquid Asset Trust (ColoTrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating ColoTrust. ColoTrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7, with each share valued at $1. ColoTrust is rated AAAm by Standard and Poor's. Investments of ColoTrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Fair Value Measurements - The City reports its investments using the fair value measurements established by generally accepted accounting principles. As such, a fair value hierarchy categorizes the inputs used to measure the fair value of the investments into three levels. Level 1) inputs are quoted prices in active markets for identical investments; Level 2) inputs include quoted prices in active markets for similar investments, or other observable inputs; and Level 3) inputs are unobservable inputs. At December 31, 2024, the City's investment in ColoTrust was reported at the net asset value per share, measured utilizing quoted prices in active markets for similar investments (Level 2 inputs).

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City of Manitou Springs, Colorado
Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets

Capital asset governmental activity for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Governmental Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 7,351,383	$ 94,266	$ -	$ -	$ 7,445,649
Construction in Progress	1,146,702	5,482,917	-	(189,188)	6,440,431
Total Capital Assets, *Not Being Depreciated*	8,498,085	5,577,183	-	(189,188)	13,886,080
Capital Assets, *Being Depreciated*					
Land Improvements	4,520,805	-	-	-	4,520,805
Buildings	3,241,913	1,070,713	-	147,400	4,460,026
Infrastructure	18,031,680	-	-	-	18,031,680
Equipment and Vehicles	6,391,465	539,598	(127,079)	41,788	6,845,772
Total Capital Assets, *Being Depreciated*	32,185,863	1,610,311	(127,079)	189,188	33,858,283
Capital Assets, *Not Being Depreciated*					
Less Accumulated Depreciation					
Land Improvements	(2,553,349)	(171,790)	-	-	(2,725,139)
Buildings	(1,484,921)	(143,665)	-	-	(1,628,586)
Infrastructure	(8,591,708)	(504,278)	-	-	(9,095,986)
Equipment and Vehicles	(3,918,673)	(605,322)	127,079	-	(4,396,916)
Total Accumulated Depreciation	(16,548,651)	(1,425,055)	127,079	-	(17,846,627)
Total Capital Assets, *Being Depreciated, net*	15,637,212	185,256	-	189,188	16,011,656
Governmental Activities Capital Assets, *net*	$ 24,135,297	$ 5,762,439	$ -	$ -	$ 29,897,736

Depreciation expense was charged to programs of the City as follows:

Governmental Activities	
General Government	$ 574,502
Public Safety	456,615
Public Works	160,617
Parks and Recreation	233,321
Total	$ 1,425,055

City of Manitou Springs, Colorado

Notes to Financial Statements
December 31, 2024

Note 3: Capital Assets (Continued)

Capital asset business-type activity for the year ended December 31, 2024, is summarized below.

	Balance 12/31/23	Additions	Deletions	Transfers	Balance 12/31/24
Business-Type Activities					
Capital Assets, *Not Being Depreciated*					
Land	$ 938,177	$ 641,691	$ -	$ -	$ 1,579,868
Construction in Progress	343,407	1,976,344	-	-	2,319,751
Total Capital Assets, *Not Being Depreciated*	1,281,584	2,618,035	-	-	3,899,619
Capital Assets, *Being Depreciated*					
Land Improvements	195,183	-	-	-	195,183
Buildings	325,238	-	-	-	325,238
Collection and Distribution System	32,150,665	-	-	-	32,150,665
Machinery and Equipment	5,881,618	212,466	-	-	6,094,084
Total Capital Assets, *Being Depreciated*	38,552,704	212,466	-	-	38,765,170
Less: Accumulated Depreciation	(19,269,099)	(1,525,111)	-	-	(20,794,210)
Total Capital Assets, *Being Depreciated, net*	19,283,605	(1,312,645)	-	-	17,970,960
Business-Type Activities Capital Assets, *net*	$ 20,565,189	$ 1,305,390	$ -	$ -	$ 21,870,579

Note 4: Long-Term Debt

Governmental Activities

Following is a summary of long-term debt transactions of the governmental activities for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24	Due Within One Year
Governmental Activities					
Financing Leases	$ 1,369,305	$ -	$ 338,647	$ 1,030,658	$ 286,428
Compensated Absences	202,010	663,041	341,720	523,331	523,331
Total	$ 1,571,315	$ 663,041	$ 680,367	$ 1,553,989	$ 809,759

Compensated absences are expected to be liquidated primarily with revenues of the General Fund.

The City has entered into several long-term financing lease agreements to purchase land, equipment, and vehicles. These leases bear interest at rates ranging from 1.370% to 3.980% per annum and mature between June 2024 and May 2032.

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Note 4: Long-Term Debt (Continued)

Governmental Activities *(Continued)*

The future minimum lease payments of principal and interest as of December 31, 2024, were as follows:

Year Ended December 31,		
2025	$	309,093
2026		249,675
2027		178,510
2028		102,280
2029		102,280
2030-2032		190,281
Total Future Minimum Lease Payments		1,132,119
Less: Interest		(101,461)
Present Value of Future Minimum Lease Payments	$	1,030,658

Business-Type Activities

Following are the changes to long-term debt of the business-type activities for the year ended December 31, 2024:

	Balance 12/31/23	Additions	Payments	Balance 12/31/24	Due Within One Year
Business-Type Activities					
1985 Water Loan	$ 63,641	$ -	$ 58,036	$ 5,605	$ 5,605
2009 Water Loan	403,443	-	62,068	341,375	62,068
2009 Water Loan	403,443	-	62,068	341,375	62,068
2009 Water Loan	174,614	-	26,864	147,750	26,864
2009 Sewer Loan	27,106	-	4,170	22,936	4,170
2020 Water Loan	313,001	-	14,982	298,019	15,359
2020 Water Loan	739,756	-	35,408	704,348	36,299
2020 Sewer Loan	484,766	-	23,203	461,563	23,787
2024 Water Loan	-	3,053,000	29,219	3,023,781	113,213
2024 Sewer Loan	-	450,000	4,307	445,693	16,687
Financing Leases	962,765	600,000	265,372	1,297,393	231,112
Compensated Absences	27,175	92,754	61,431	58,498	58,498
Total	$ 3,599,710	$ 4,195,754	$ 647,128	$ 7,148,336	$ 655,730

Water Loans

During 1985, the City entered into a $1,200,000 loan agreement with the Colorado Water Conservation Board for construction of certain water supply improvements. Principal and interest payments are due annually on May 1, through 2025. Interest accrues at 4.02% per annum.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Water Loans *(Continued)*

During 2009, the City entered into two loan agreements with the Colorado Water Resources and Power Development Authority (CWRPDA), each in the principal amount of $1,241,361, for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2009, the City entered into a third loan agreement with the CWRPDA in the principal amount of $537,278 for construction and improvements to the water delivery systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a $827,200 loan agreement with the CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2020, the City entered into a $350,000 loan agreement with the CWRPDA for maintenance and projects related to hydroelectric facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a $4,053,000 loan agreement with CWRPDA to finance all or a portion of the costs of certain water resource projects. Principal and interest payments are due semi-annually on May 1 and November 1, through 2044. Interest accrues at 3.25% per annum.

The 2009, 2020, and 2024 CWRDPA water loans are payable solely from revenues of the City's water utility system after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of $760,675 were available to pay annual debt service of $437,969. Remaining debt service at December 31, 2024 was $3,854,281.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Water Loans *(Continued)*

The CWRDPA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Water rate maintenance covenant is as follows:

Revenues		
Operating Revenues	$	2,174,946
Expenses		
Operating Expenses		1,405,552
Net Revenues		769,394
Debt Services Requirements		
2009 CWRPDA Notes Payable		151,000
2020 CWRPDA Notes Payable		53,682
2020 CWRPDA Hydropower Plant Note Payable		22,714
2024 CWRPDA Notes Payable		210,573
Total CWRPDA Notes Payable		437,969
Required Coverage		110%
Debt Service Coverage Amount		481,766
Net Revenue Excess *(Shortfall)*	$	287,628

Sewer Loans

During 2009, the City entered into a loan agreement with the CWRPDA in the principal amount of $83,401 to finance repairs to the City's sewer treatment systems. Principal payments are due semi-annually on May 1 and November 1, through May 1, 2030. The loan is non-interest bearing.

During 2020, the City entered into a $554,400 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 2.5% per annum.

During 2024, the City entered into a $450,000 loan agreement with the CWRPDA for maintenance and projects related to water management and wastewater treatment facilities. Principal and interest payments are due semi-annually on May 1 and November 1, through 2040. Interest accrues at 3.25% per annum.

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Sewer Loans *(Continued)*

The CWRPDA sewer loans are payable solely from revenues of the City's sewer utility system, after deducting operation and maintenance costs. During the year ended December 31, 2024, net revenues of $570,661 were available to pay annual debt service of $70,386. Remaining debt service at December 31, 2024 was $930,192.

The CWRDPA water loans include a rate maintenance coverage covenant that requires the City to maintain a coverage ratio of Net Revenues equal to 110% of the maximum annual debt service of the loan when due and any parity debt coming due. The computation of both the Sewer rate maintenance covenant is as follows:

Revenues	
Operating Revenues	$ 1,607,119
Expenses	
Operating Expenses	1,061,986
Net Revenues	545,133
Debt Services Requirements	
2009 CWRPDA Notes Payable	4,170
2020 CWRPDA Notes Payable	35,178
2024 CWRPDA Notes Payable	31,038
Total CWRPDA Notes Payable	70,386
Required Coverage	110%
Debt Service Coverage Amount	77,425
Net Revenue Excess *(Shortfall)*	$ 467,708

Note 4: Long-Term Debt (Continued)

Business-Type Activities *(Continued)*

Sewer Loans *(Continued)*

Following is the remaining principal and interest for business-type loans as of the year ended December 31, 2024:

Year Ended December 31,	Principal	Interest	Total
2025	$ 366,119	$ 148,065	$ 514,184
2026	366,669	141,687	508,356
2027	373,010	135,345	508,355
2028	379,544	128,811	508,355
2029	386,277	122,078	508,355
2030-2034	1,341,508	501,994	1,843,502
2035-2039	1,465,859	300,069	1,765,928
2040-2044	1,113,459	85,379	1,198,838
Total	$ 5,792,445	$ 1,563,428	$ 7,355,873

Long-Term Leases

The City has entered into several long-term financing lease agreements to purchase equipment and vehicles. These leases bear interest at rates ranging from 1.370% to 5.260% per annum and mature between June 2024 and July 2032. Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2024.

Year Ended December 31,	
2025	$ 297,587
2026	272,481
2027	254,969
2028	247,193
2029	116,810
2030-2032	324,561
Total Future Minimum Lease Payments	1,513,601
Less: Interest	(216,208)
Present Value of Future Minimum Lease Payments	$ 1,297,393

Note 5: Interfund Transactions

Interfund transfers during the year ended December 31, 2024, consisted of the following:

Transfers In	Transfers Out	Amount
Capital Improvement Fund	General Fund	$ 2,635,767
General Fund	Mobility and Parking Fund	787,169
General Fund	Water Enterprise Fund	138,725
Capital Improvement Fund	Mobility and Parking Fund	100,000
General Fund	Sewer Enterprise Fund	60,740
General Fund	El Paso/Becker Park Fund	46,090
General Fund	Open Space Fund	9,150
General Fund	Mach Fund	3,230
General Fund	Law Enforcement Fund	1,420
General Fund	Storm Drainage Fund	1,400
Total		$ 3,783,691

Note 6: Pension Plans

Eligible City employees may participate in one of six following pension plans, depending on occupation and date of hire:

Nonemergency Employees

- Local Government Division Trust Fund Defined Benefit Plan (PERA)

Police Officers

- Police Officers Statewide Defined Benefit Plan (FPPA)

Firefighters

- Firefighters Statewide Defined Benefit Plan (FPPA)
- Old Hire Firefighters Pension Plan (FPPA)
- Volunteer Firefighters Pension Plan (FPPA)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

General Information - PERA

Plan Description - Eligible employees of the City are provided with pensions through the LGDTF- a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

General Information - PERA *(Continued)*

Benefits Provided - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100% of highest average salary and cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the LGDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the lifetime retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

General Information - PERA *(Continued)*

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions provisions as of December 31, 2024 - Eligible employees of the City and the State are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements for the LGDTF are established under C.R.S. § 24-51-401, *et seq*. and § 24-51-413. Employee contribution rates for the period of January 01, 2024 through December 31, 2024 were 9.00%. Contribution rates for the LGDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

The employer contribution requirements for all employees were 14.78% of covered salaries for January 01, 2024 through December 31, 2024. However, a portion of the City's contribution (1.02% of covered salaries) is allocated to the Health Care Trust Fund (See Note 7).

Employer contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions to the LGDTF. The City's contributions to the LGDTF for the year ended December 31, 2024, were $594,462, equal to the required contributions.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA

The net pension liability for the LGDTF was measured at December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total pension liability to December 31, 2023. The City's proportion of the net pension liability was based on the City's contributions to the LGDTF for the calendar year December 31, 2023 relative to the total contributions of participating employers and State as a nonemployer contributing entity.

At December 31, 2024, the City reported a net pension liability of $3,272,965 for its proportionate share of the net pension liability.

At December 31, 2023, the City's proportion was 0.4458831411%, which was a decrease of 0.0362699051% from its proportion measured at December 31, 2022.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

For the year ended December 31, 2024, the City recognized pension expense of $124,584. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual Earnings on plan investments	947,539	-
Changes in proportion	-	-
Contributions subsequent to the measurement date	594,462	-
Total	$ 1,542,001	$ -

$594,462 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	$ 404,758
2026	806,043
2027	(263,262)
Total	$ 947,539

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Actuarial Assumptions - The TPL in the December 31, 2022, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

	Assumptions
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
Hired prior to 1/1/2007	1.00%
Hired after 12/31/2006	Financed by the Annual Increase Reserve (AIR)

As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the LGDTF and HCTF were $24,967 and $1,033, respectively.

The mortality tables are generational mortality tables developed on a benefit-weighted basis.

Pre-retirement mortality assumptions for members other than Safety Officers were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for members other than State Troopers were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Note: In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected nominal rate of return assumption of 7.25%.

Discount Rate - The discount rate used to measure the TPL was 7.25%. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 67 projection test.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the Local Government Division reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of the December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the LGDTF and HCTF were $24,967 and $1,033, respectively.

Note 6: Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - PERA *(Continued)*

Based on the above assumptions and methods, the FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination did not use the municipal bond rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as the City's proportionate share of the net pension liability if it were calculated using a discount that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's Proportionate share of the Net pension liability (asset)	$ 6,415,376	$ 3,272,965	$ 640,685

Pension Plan Fiduciary Net Position - Detailed information about the LGDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Police Officers Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the Statewide Defined Benefit Plan (SWDB), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid police officers of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for police officers hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Note 6: Pension Plans (Continued)

Police Officers Statewide Defined Benefit Pension Plan (SWDB) *(Continued)*

General Information - FPPA *(Continued)*

Benefits Provided - The FPPA Board may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member’s highest three years’ base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member’s highest three years’ base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA

Police Officers

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 9.0% and 12% of base salary, respectively, for the year ended December 31, 2024. Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually through 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2024, were $110,362, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers. At December 31, 2024, the City's proportion was 0.1194284432% which was an increase of 0.0017931364% from its proportion measured at December 31, 2023.

At December 31, 2024, the City reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the City recognized pension expense of $98,371. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 173,321	$ 8,975
Changes in assumptions and other inputs	101,900	-
Net difference between projected and actual Earnings on plan investments	147,499	-
Changes in proportion	21,330	59,197
Contributions subsequent to the measurement date	110,362	-
Total	$ 554,412	$ 68,172

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Police Officers *(Continued)*

City contributions subsequent to the measurement date of $110,362 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2025	$	121,199
2026		175,547
2027		17,150
2028		20,668
2029		18,408
Thereafter		22,906
Total	$	375,878

Actuarial Assumptions - The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

	Assumptions
Actuarial cost method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuity Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 50% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – FPPA *(Continued)*

Police Officers *(Continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.00%.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of the FPPA Board's Benefit Policy which includes a variable COLA and supplemental payments. Consistent with the FPPA Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – FPPA *(Continued)*

Police Officers *(Continued)*

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as the City's proportionate share of the net pension asset (liability) if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate, as follows:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension liability (asset)	$ 669,682	$ -	$ -

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Firefighters Statewide Defined Benefit Pension Plan (SWDB)

General Information - FPPA

Plan Description - The City contributes to the SWDB, a cost-sharing multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members hired prior to January 1, 1997, through the Statewide Death and Disability Plan, which is also administered by the FPPA. The Statewide Death and Disability Plan is a noncontributory plan. All full-time, paid firefighters of the City are members of the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. Local revenue sources are responsible for funding of the Death and Disability benefits for firefighters hired on or after January 1, 1997.

Colorado statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. FPPA issues a publicly available comprehensive annual financial report that can be obtained on FPPA's website at http://www.fppaco.org.

Benefits Provided - The FPPA Board may change the retirement age on an annual basis, depending upon the results of the actuarial valuation and other circumstances. The Normal Retirement Age should not be less than age 55 or more than age 60. Any member with at least 25 years of service may retire at any time after age 55 and shall be eligible for a normal retirement pension. Members with combined age and years of service totaling 80 or more, with a minimum age of 50 also qualify for a normal retirement pension.

Note 6: Pension Plans (Continued)

Firefighters Statewide Defined Benefit Pension Plan (SWDB) *(Continued)*

General Information - FPPA *(Continued)*

A member is eligible for retirement after attainment of age 55 with at least five years of credited service.

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis.

The annual retirement benefit for the Defined Benefit Component is 2.0 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent of the average of the member's highest three years' base salary for each year of service thereafter.

Beginning January 1, 2007, the annual normal retirement benefit for the Social Security Component is 1.0 percent of the average of the member's highest three years base salary for each year of credited service up to then years plus 1.25 percent of the average of the member's highest three years' base salary for each year thereafter. Prior to 2007, the benefit for members of the Social Security Component will be reduced by the amount of social security income the member receives annually, calculated as if the social security benefit started as of age 62.

Benefits paid to retired members and beneficiaries may be increased annually on October 1 via cost of living adjustment (COLA). COLAs may be compounding or non-compounding. The increase in benefits, if any, is based on the FPPA Board of Director's discretion. Compounding COLAs can range from 0 percent to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers. Non-compounding COLAs take into consideration the investment returns, compounding COLAs and other economic factors. COLAs may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Upon termination, a member may elect to have their member contributions, along with 5.0 percent as interest, returned as a lump sum distribution in lieu of a retirement benefit.

Contributions - The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership.

City of Manitou Springs, Colorado
Notes to Financial Statements
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Note 6: Pension Plans (Continued)

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA</u>

State Fire

The City and eligible employees are required to contribute to the plan at rates established by State statutes. Employer contribution rates can only be amended by the State Legislature. Employee contribution rates can be amended by the State Legislature or by election of the membership. The City and eligible employees contributed 9% and 12% of base salary, respectively, for the year ended December 31, 2024.

Plan members contribute 12% of base salary. Employer contributions increase 0.5% annually 2030 to a total of 13% of base salary. The City's contributions to the plan for the year ended December 31, 2024, were $95,885, equal to the required contributions.

The City's proportion of the net pension asset was based on the City's contributions to the plan for the calendar year ended December 31, 2024, relative to the projected contributions of all participating employers. At December 31, 2024, the City's proportion was 0.0849097499% which was an increase of 0.0376269737% from its proportion measured at December 31, 2023.

At December 31, 2024, the City reported a net pension liability of $0, representing its proportionate share of the net pension liability of the plan. The net pension liability was measured at December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

For the year ended December 31, 2024, the City recognized pension expense of $50,394. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 123,221	$ 6,384
Changes in assumptions and other inputs	72,447	-
Net difference between projected and actual Earnings on plan investments	104,866	-
Changes in proportion	44,469	66,313
Contributions subsequent to the measurement date	95,885	-
Total	$ 440,888	$ 72,697

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

State Fire *(Continued)*

City contributions after the measurement date of $95,885 will be recognized as a decrease to the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31,		
2025	$	88,156
2026		126,656
2027		14,785
2028		20,296
2029		13,893
Thereafter		8,520
Total	$	272,306

Actuarial Assumptions - The actuarial valuations as of January 1, 2024, determined the total pension liability using the following actuarial assumptions and other inputs:

	Assumptions
Actuarial cost method	Entry age normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Projected Salary Increases	4.25% - 11.25%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

For determining the total pension liability, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Annuitant Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement mortality assumption uses Pub-2010 Safety Healthy Employee Mortality Tables for males and females, amount-weighted, and then projected with the MP-2020 Ultimate projection scale. The pre-retirement non-duty mortality tables are adjusted to 60% multiplier. The on-duty mortality rate is 0.00015.

For determining the actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the Pub-2010 Safety Healthy Annuity Mortality Tables projected with the ultimate values of the MP-2020 projection scale. The pre-retirement off-duty mortality tables are adjusted to 50% of the MP-2020 mortality tables for active employees. The on-duty mortality rate is 0.00015.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

State Fire *(Continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	35%	8.33%
Equity Long/Short	6%	7.27%
Private Markets	34%	10.31%
Fixed Income - Rates	10%	5.35%
Fixed Income - Credit	5%	5.89%
Absolute Return	9%	6.39%
Cash	1%	4.32%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates in the FPPA Board of Director's funding policy, which establishes the contractually required rates under State statutes. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate at the prior measurement date was 7.00%.

As of the measurement period ending December 31, 2023, the COLA assumption, which was previously 0.00%, was revised to reflect the true nature of the FPPA Board's Benefit Policy which includes a variable COLA and supplemental payments. Consistent with the FPPA Board's policy, the new COLA assumption will fluctuate from year to year depending on plan experience and is the long-term COLA assumption which results in no Net Pension Asset. If current assets do not support Total Pension Liabilities using a COLA assumption of greater than 0.00%, then a COLA assumption of 0.00% will be used and a Net Pension Liability will be reported.

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

State Fire *(Continued)*

Sensitivity of the Net Pension Asset (Liability) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as the City's proportionate share of the net pension (asset) liability if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate, as follows:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's Proportionate share of the Net pension liability (asset)	$ 476,122	$ -	$ -

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.

Old Hire Firefighters Pension Plan (FPPA)

General Information - Old Hire Fire

Plan Description - The City's firefighters hired prior to April 8, 1978, are covered by an agent multiple-employer defined benefit pension plan. The Plan is affiliated with and administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund. The plan has one retiree and one retiree's beneficiary and is closed to future participation.

The authority under which benefit provisions are established or amended are provided within Colorado Revised Statutes (C.R.S. 31-30.5-210). The Board of Trustees is made up of City Council members and firefighters who along with the Board of Directors of the Colorado FPPA must approve Plan amendments. Any modification must maintain or enhance the actuarial soundness of the plan and cannot adversely affect the benefits of Members.

Benefits Provided - A firefighter's normal retirement date shall be the date on which he has attained fifty years of age and completed twenty years of active service. Any firefighter who elects to retire on or after his normal retirement date is eligible for a monthly pension payment equivalent to one-half of his monthly salary at the date of his retirement. For each year after a firefighter continues working past the normal retirement date, his benefit will increase by 4% of his monthly salary to a maximum benefit of 74%. If a firefighter dies, the surviving spouse receives, until death or remarriage, a monthly pension equal to one-third of the salary of a first-grade firefighter at the time of retirement.

Note 6: Pension Plans (Continued)

Old Hire Firefighters Pension Plan (FPPA) *(Continued)*

General Information - Old Hire Fire *(Continued)*

Contributions - The plan receives contributions from the City based on an actuarially determined amount, as required by State statute. The actuarial study as of January 1, 2024, indicated that the current level of contributions to the Plan are adequate to support on an actuarially sound basis the prospective benefits, including administrative costs, of the present plan. The City contribution amount for the Plan has been historically determined by biennial actuarial studies.

Administrative costs of the plan are paid from the pension fund. There are no investments in loans to or leases with parties related to the plans.

For the year ended December 31, 2024, the City reported a net pension liability of $364,401. The net pension liability was measured as of December 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA

Old Hire Fire

For the year ended December 31, 2024, the City recognized pension expense of $35,478. At December 31, 2024, the City reported deferred outflows and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual Earnings on plan investments	$ 33,055	$ -
Contributions subsequent to the measurement date	24,144	-
Total	$ 57,199	$ -

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Old Hire Fire *(Continued)*

$24,144 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		
2025	$	10,928
2026		13,010
2027		10,386
2028		(1,269)
Total	$	33,055

Actuarial Assumptions - The January 1, 2024 actuarial valuation was used to determine the actuarially determined contribution for the fiscal year ending December 31, 2024. The valuation used the following actuarial assumptions and other inputs:

	Assumptions
Actuarial cost method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	4.50%
Projected Salary Increases	N/A

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Old Hire Fire *(Continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash	10%	5.50%
Fixed Income - Rates	70%	5.40%
Fixed Income - Credit	10%	5.90%
Diversifiers	0%	7.40%
Long Short	0%	7.00%
Global Public Equity	10%	8.30%
Private Markets	0%	10.20%
Total	100.00%	

Single Discount Rate - The discount rate used to measure the total pension liability was 4.5% The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the plan fiduciary net pension was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Asset to Changes in the Single Discount Rate - The following presents the City's net pension liability/(asset) calculated using the single discount rate of 4.5%, as well as what the City's net pension liability/(asset) would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher than the current rate:

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
City's Proportionate share of the Net pension liability (asset)	$ 423,152	$ 364,401	$ 313,269

Note 6: Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - FPPA *(Continued)*

Old Hire Fire *(Continued)*

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in FPPA's comprehensive annual financial report at www.fppaco.org/PDF/annual-reports/14.annual.report.pdf.

Volunteer Firefighters Pension Plan (FPPA)

General Information - Volunteer Firefighters

Plan Description - The City, on behalf of its volunteer firefighters, contributes to a defined benefit pension plan which is administered by FPPA. Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Fund, an agent multiple employer defined benefit pension plan administered by FPPA. The plan provides retirement benefits for members and beneficiaries according to the plan provisions as enacted and governed by the pension fund board of trustees. Colorado Revised Statues (CRS), as amended, establishes basic benefit provisions under the plan. FPPA issues a publicly available annual financial report that includes the assets of the volunteer plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area or 1-800-332-FPPA (3772) from outside the metro area.

Volunteer firefighters who complete the minimum annual training required by the City and are members in good standing of the volunteer organization, are eligible to participate in the plan for that year. Volunteers' rights to a benefit vest after ten years of service. Volunteers who retire at, or after the age of 50, with twenty years of credited service, are entitled to a benefit. Volunteers who retire with ten years of credited service are entitled to a partial benefit. Surviving spouses are entitled to a 50% benefit. In addition, the plan provides death and disability benefits funded by insurance policies.

Volunteers Covered by Benefit Terms - At December 31, 2024, the following employees were covered by the benefit terms:

Retirees or Beneficiaries Currently Receiving Benefits	17
Active Employees	33
Total	50

Contributions - Contributions are determined by the FPPA actuary, using the entry age normal cost method as of January 1, 2023. Contributions into the pension fund are derived from two sources: contributions directly from the City and contributions from the State based on assessed property values and other formulas. For the year ended December 31, 2024, the City's contributions were $37,951.

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total pension liability is based on an actuarial valuation performed as of January 1, 2023, and a measurement date of December 31, 2023. This measurement date is within one year of the plan sponsor's fiscal year-end of December 31, 2024, and may be used for December 31, 2024, reporting purposes.

Actuarial Assumptions - The total pension liability was rolled forward from the actuarial valuation as of January 1, 2024 to the measurement date of December 31, 2023, and was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
Actuarial cost method	Entry Age Normal
Amortization Method	Level Dollar, Open
Amortization Period	20 Years
Inflation	2.50%
Projected Salary Increases	N/A
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.00%
Cost of Living Adjustments (COLA)	0.00%
*Includes Inflation at	2.50%

Mortality rates were based on the following:

- *Pre-retirement*: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality.
- *Post-retirement*: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.
- *Disabled:* 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the purpose of this valuation, the long-term expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.77% and the resulting Single Discount Rate is 7.00%.

Changes in net pension liability for the City's Volunteer Firefighter agent multiple-employer plan is listed as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, December 31, 2020	$ 543,450	$ 350,754	$ 192,696
Service Cost	6,232	-	6,232
Interest	36,677	-	36,677
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions	-	38,000	(38,000)
Net Investment Income	-	33,974	(33,974)
Benefit Payments	(45,900)	(45,900)	-
Administrative Expenses	-	(12,409)	12,409
State of Colorado supplemental discretionary payment	-	34,156	(34,156)
Total	$ 540,459	$ 398,575	$ 141,884

Sensitivity of the net pension liability (asset) to the changes in the discount rate - The following table presents the net pension liability (asset) of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) then the current rate.

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
City's Proportionate share of the Net pension asset (Liability)	$ 197,587	$ 141,884	$ 95,244

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued FPPA financial report.

Note 6: Pension Plans (Continued)

Volunteer Firefighters Pension Plan (FPPA) *(Continued)*

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions *(Continued)*

For the year ended December 31, 2024, the City recognized pension benefit of $10,560 for the Volunteer Pension Plan. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 7,861
Changes in assumptions and other inputs	3,456	-
Net difference between projected and actual Earnings on plan investments	13,462	-
Contributions subsequent to the measurement date	72,156	-
Total	$ 89,074	$ 7,861

$72,156 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (increase to asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	
2025	$ (2,120)
2026	4,007
2027	9,102
2028	(1,932)
Total	$ 9,057

Note 7: Other Postemployment Benefits

General Information

Plan Description - Eligible employees of the City are provided with postemployment benefits other than pensions (OPEB) through the HCTF, a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided - The HCTF provides a healthcare premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 *et seq*. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Eligibility to enroll in PERACare is voluntary and includes, among others, benefit recipients and their eligible dependents, as well as certain surviving spouses, divorced spouses and guardians. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure
The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% reduction in the subsidy for each year, less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

Note 7: Other Postemployment Benefits (Continued)

General Information *(Continued)*

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions - Pursuant to Title 24, Article 51, Section 208(1)(f) of the CRS, as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the Local Government Division are required to contribute at a rate of 1.02% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the City is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the City was $44,064 for the year ended December 31, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2024, the City reported a net OPEB liability of $253,001 representing its proportionate share of the net OPEB liability of the HCTF. The net OPEB liability was measured at December 31, 2023, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2023. The City's proportion of the net OPEB liability was based on the City's contributions to the HCTF for the calendar year ended December 31, 2023, relative to the contributions of all participating employers to the HCTF.

At December 31, 2024, the District's proportion was 0.0354478471%, which was a decrease of 0.0034285428% from its proportion measured at December 31, 2023.

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

For the year ended December 31, 2024, the City recognized OPEB benefit of $2,552. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 27,278
Changes of assumptions and other inputs	1,945	18,558
Net difference between projected and actual earnings on plan investments	6,803	-
Changes in proportion	29,447	24,707
Contributions subsequent to the measurement date	44,064	-
Total	$ 82,259	$ 70,543

$44,064 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2025	$ (8,632)
2026	(4)
2027	(12,427)
2028	(7,793)
2029	(3,492)
Total	$ (32,348)

Note 7: Other Postemployment Benefits (Continued)

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> *(Continued)*

Actuarial Assumptions - The TOL in the December 31, 2022 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	Assumptions
Actuarial Cost Method	Entry Age
Price inflation	2.3%
Real wage growth	0.7%
Wage inflation	3.0%
Salary increases, including wage inflation	
Members other than Safety Officers	3.2% - 11.3%
Safety Officers	3.2% - 12.4%
Long-term investment rate of return, net of plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates:	
PERA Benefit Structure	
Service-based premium subsidy	0.0%
PERACare Medicare plans	
7.00% in 2023, gradually decreasing to 4.5% in 2033	
Medicare Part A premiums:	
3.50% in 2023, gradually increasing to 4.5% in 2035	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

The 2023 Medicare Part A premium is $506 per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2022, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

The PERA benefit structure health care cost trend rates used to measure the TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2023	7.00%	3.50%
2024	6.75%	3.50%
2025	6.50%	3.75%
2026	6.25%	3.75%
2027	6.00%	4.00%
2028	5.75%	4.00%
2029	5.50%	4.00%
2030	5.25%	4.25%
2031	5.00%	4.25%
2032	4.75%	4.25%
2033	4.50%	4.25%
2034	4.50%	4.25%
2035+	4.50%	4.50%

Mortality assumptions used in the December 31, 2022, valuation for the State and Local Government Divisions as shown below, reflect generational mortality and were applied, as applicable, in the December 31, 2022, valuation for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of these Division Trust Funds participate in the HCTF.

Pre-retirement mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (members other than State Troopers) were based on the upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males*:* 94% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females*:* 87% of the rates prior to age 80 and 107% of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based on the upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males*:* 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females*:* 105% of the rates for all ages, with generational projection using scale MP-2019.

Note 7: Other Postemployment Benefits (Continued)

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> *(Continued)*

Disabled mortality assumptions for members other than Safety Officers were based upon the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Per capital health care costs in effect as of December 31, 2022, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare A benefits have been updated to reflect costs for the 2023 plan year.
- The morbidity rates used to estimate individual retiree and spouse costs by age and by gender were updated effective for the December 31, 2022, actuarial valuation. The revised morbidity rate factors are based on a review of historical claims experience by age, gender, and status (active versus retired) from actuary's claims data warehouse.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2022, valuations were based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020.

The long-term expected return on plan assets is reviewed as part of regular experience studies performed at least every five years, and asset/liability studies, performed every three to five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized, as presented previously (see Note 6).

Note 7: Other Postemployment Benefits (Continued)

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u> *(Continued)*

Discount Rate - The discount rate used to measure the total OPEB liability was 7.25%. The basis for the projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2023, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- Beginning with the December 31, 2023, measurement date and thereafter, the FNP as of the current measurement date is used as a starting point for the GASB 74 projection test.
- As of the December 31, 2023, measurement date, the FNP and related disclosure components for the HCTF reflect payments related to the disaffiliation of Tri-County Health Department as a PERA-affiliated employer, effective December 31, 2022. As of December 31, 2023, year-end, PERA recognized two additions for accounting and financial reporting purposes: a $24,000 payment received on December 4, 2023 and a $2,000 receivable. The employer disaffiliation payment and receivable allocations to the HCTF and LGDTF were $1,033 and $24,967, respectively.

Based on the above assumptions and methods, the FNP for each of the HCTFs was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination did not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Note 7: Other Postemployment Benefits (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB *(Continued)*

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Discount Rates - The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as the City's proportionate share of the net OPEB liability if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate, as follows:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 298,825	$ 253,001	$ 213,797

Sensitivity of the City's proportionate share of the net OPEB liability to changes in the Healthcare Cost Trend Rates - The following presents the City's proportionate share of the net OPEB liability calculated using the current healthcare cost trend rates, ranging from 3.00% to 7.00%, as well as the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates, as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of the net OPEB liability	$ 245,739	$ 253,001	$ 260,899

OPEB plan fiduciary net position - Detailed information about the HCTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 8: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for its workers compensation claims.

Public Entity Risk Pool

For other risks of loss, the City is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

Note 8: Risk Management (Continued)

Public Entity Risk Pool *(Continued)*

The purposes of CIRSA are to provide members defined liability and property coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity, and the City does not approve budgets, nor does it have the ability to significantly affect the operations of CIRSA.

Note 9: Commitments and Contingencies

Claims and Judgments

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. Management believes that additional disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On April 5, 1994, voters within the City approved the collection, retention and expenditure of the full revenues generated by the City in 1994 and subsequent years, notwithstanding the provisions of the Amendment.

In November 1997, voters within the City authorized the City to collect, retain and expend all revenues and other funds in excess of the revenue limitations of the Amendment.

Emergency Reserves have been provided for as required by Article X, Section 20 (5), of the Constitution of the State of Colorado. Per the City Financial Policies Section 7, IV, the City satisfies this requirement through a pledge of real property. City Hall, located at 606 Manitou Ave, per the most valuation by the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for insurance purposes, is valued at $3,500,000. 16.03% of this value covers the TABOR reserve.

The URA is not subject to the Amendment. See: Marian L. Olson v. City of Golden, et. al. 53 P.3d 747 (Co. App.), certiorari denied.

Required Supplementary Information

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Taxes				
Sales and Use Taxes	$ 9,570,000	$ 9,160,000	$ 9,302,718	$ 142,718
Property	1,035,941	1,035,941	1,117,158	81,217
Amusement and Lodging	1,589,000	1,613,500	1,599,986	(13,514)
Franchise	406,000	407,400	426,154	18,754
Auto Use	395,000	395,000	401,461	6,461
Licenses and Permits	134,000	155,000	171,502	16,502
Intergovernmental	237,550	314,330	297,824	(16,506)
Contributions/Donations	5,000	47,789	53,944	6,155
Charges for Services	801,725	1,140,584	995,751	(144,833)
Fines and Forfeitures	55,015	31,015	30,927	(88)
Investment Income	400,500	684,700	708,180	23,480
Proceeds from Sale of Assets	55,000	75,000	71,076	(3,924)
Miscellaneous	2,400	6,000	10,870	4,870
Total Revenues	14,687,131	15,066,259	15,187,551	121,292
Expenditures				
General Government				
Legislative	490,706	458,576	287,927	170,649
Judicial	144,962	122,725	95,145	27,580
Executive	1,019,339	1,109,330	1,019,071	90,259
City Clerk	261,598	303,223	263,745	39,478
Finance	959,192	729,400	712,979	16,421
Planning	807,995	763,916	677,483	86,433
Economic Development	1,273,255	1,316,379	646,829	669,550
Intergovernmental	44,881	45,095	40,295	4,800
Miscellaneous	4,740	4,740	611	4,129
Total General Government	5,006,668	4,853,384	3,744,085	1,109,299
Public Safety				
Police	2,417,123	2,425,785	2,050,743	375,042
Fire	1,309,442	1,406,038	1,307,236	98,802
EMS Transport	771,484	820,810	771,336	49,474
Total Public Safety	4,498,049	4,652,633	4,129,315	523,318
Public Works				
Parking Department	1,703,125	1,619,450	1,409,148	210,302
Total Public Works	1,703,125	1,619,450	1,409,148	210,302

(Continued)

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2024
(Continued)

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Expenditures *(Continued)*				
Culture and Recreation				
Public Services	$ 1,935,502	$ 2,264,975	$ 2,248,935	$ 16,040
Total Culture and Recreation	1,935,502	2,264,975	2,248,935	16,040
Capital Outlay	96,000	335,000	321,914	13,086
Total Expenditures	13,239,344	13,725,442	11,853,397	1,872,045
Excess Revenues Over (Under) Expenditures	1,447,787	1,340,817	3,334,154	1,993,337
Other Financing Sources (Uses)				
Transfers In	305,129	1,053,828	1,047,924	(5,904)
Transfers Out	(2,035,767)	(2,635,767)	(2,635,767)	-
Net Change in Fund Balance	(282,851)	(241,122)	1,746,311	1,987,433
Fund Balance, *Beginning of Year*	7,030,710	7,072,439	7,313,560	241,121
Fund Balance, *End of Year*	$ 6,747,859	$ 6,831,317	$ 9,059,871	$ 2,228,554

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Capital Improvements Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 62,900	$ 58,520	$ 58,606	$ 86
Intergovernmental	2,590,460	3,824,305	3,004,040	(820,265)
Contributions and Donations	450,000	496,230	-	(496,230)
Interest	-	-	12,888	12,888
Total Revenues	3,103,360	4,379,055	3,075,534	(1,303,521)
Expenditures				
Capital Improvements	8,643,170	12,569,759	7,328,927	5,240,832
Debt Service	383,519	383,519	386,580	(3,061)
Total Expenditures	9,026,689	12,953,278	7,715,507	5,237,771
Excess Revenues Over (Under) Expenditures	(5,923,329)	(8,574,223)	(4,639,973)	3,934,250
Other Financing Sources (Uses)				
Debt Proceeds	-	-	28	28
Transfers In	2,035,767	2,735,767	2,735,767	-
Net Change in Fund Balance	(3,887,562)	(5,838,456)	(1,904,178)	3,934,278
Fund Balance, *Beginning of Year*	4,268,434	5,816,854	6,780,399	963,545
Fund Balance, *End of Year*	$ 380,872	$ (21,602)	$ 4,876,221	$ 4,897,823

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4458831411%	0.4821530462%	0.4735648465%	0.4365687521%	0.4232621725%
City's Proportionate Share of the Net Pension Liability	$ 3,272,965	$ 4,833,888	$ (406,020)	$ 2,275,078	$ 3,095,701
City's Covered-Employee Payroll	$ 3,917,156	$ 3,953,961	$ 3,346,755	$ 3,079,173	$ 2,755,869
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	83.55%	122.25%	(12.13%)	73.89%	112.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.03%	82.99%	101.49%	90.88%	75.96%

Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	$ 594,462	$ 538,220	$ 531,361	$ 435,396	$ 398,510
Contributions in Relation to the Statutorily Required Contribution	(594,462)	(538,220)	(531,361)	(435,396)	(398,510)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 4,320,665	$ 3,917,156	$ 3,953,961	$ 3,346,755	$ 3,079,173
Contributions as a Percentage of Covered-Employee Payroll	13.76%	13.74%	13.44%	13.01%	12.94%

This schedule is presented to show information for 10 years.

(Continued)

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Public Employees' Retirement Association of Colorado Local Government Division Trust Fund
For the Year Ended December 31, 2024
(Continued)

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.4023930474%	0.3564476255%	0.3279100000%	0.3067500000%	0.2589400000%
City's Proportionate Share of the Net Pension Liability	$ 5,058,938	$ 3,968,795	$ 4,427,922	$ 3,379,093	$ 2,320,884
City's Covered-Employee Payroll	$ 2,807,196	$ 2,248,623	$ 1,976,677	$ 1,741,473	$ 1,418,864
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	180.21%	176.50%	224.01%	194.04%	163.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	79.37%	73.65%	76.87%	80.72%

Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City Contributions					
Statutorily Required Contribution	$ 369,595	$ 323,788	$ 286,261	$ 252,803	$ 220,819
Contributions in Relation to the Statutorily Required Contribution	(369,595)	(323,788)	(286,261)	(252,803)	(220,819)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 2,755,869	$ 2,807,196	$ 2,248,623	$ 1,976,677	$ 1,741,473
Contributions as a Percentage of Covered-Employee Payroll	13.41%	11.53%	12.73%	12.79%	12.68%

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1194284432%	0.1212215796%	0.1258598610%	0.1336000655%	0.1066031300%
City's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ 107,597	$ (682,077)	$ (290,046)	$ (60,291)
City's Covered-Employee Payroll	$ 1,178,140	$ 1,054,651	$ 1,018,816	$ 785,705	$ 791,116
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	10.20%	(66.95%)	(36.92%)	(7.62%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	97.60%	116.20%	106.70%	75.96%

Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	$ 110,362	$ 111,465	$ 94,918	$ 86,122	$ 85,847
Contributions in Relation to the Statutorily Required Contribution	(110,362)	(111,465)	(94,918)	(86,122)	(85,847)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 1,107,704	$ 1,178,140	$ 1,054,651	$ 1,018,816	$ 785,705
Contributions as a Percentage of Covered-Employee Payroll	9.96%	9.46%	9.00%	8.45%	10.93%

This schedule is presented to show information for 10 years.

(Continued)

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Police Officers Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.1207309423%	0.130220800%	0.1439600000%	0.1396100000%	0.1345200000%
City's Proportionate Share of the Net Pension Liability	$ 152,637	$ (187,343)	$ 52,019	$ (2,461)	$ (151,810)
City's Covered-Employee Payroll	$ 899,076	$ 760,073	$ 738,608	$ 683,311	$ 604,912
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	16.98%	(24.65%)	7.04%	(0.36%)	(25.10%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	106.30%	98.21%	100.10%	106.83%

Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City Contributions					
Statutorily Required Contribution	$ 161,834	$ 64,698	$ 60,806	$ 59,089	$ 54,665
Contributions in Relation to the Statutorily Required Contribution	(161,834)	(64,698)	(60,806)	(59,089)	(54,665)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 791,116	$ 899,076	$ 760,073	$ 738,608	$ 683,311
Contributions as a Percentage of Covered-Employee Payroll	20.46%	7.20%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0849097499%	0.0472827761%	0.0608766444%	0.0571535686%	0.0571718140%
City's Proportionate Share of the Net Pension Liability (Asset)	$ -	$ 41,969	$ (329,911)	$ (124,081)	$ (32,334)
City's Covered-Employee Payroll	$ 835,986	$ 411,369	$ 491,112	$ 422,678	$ 422,678
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	10.20%	(67.18%)	(29.36%)	(7.65%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.00%	97.60%	116.20%	106.70%	75.96%

Reporting Date	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
City Contributions					
Statutorily Required Contribution	$ 95,885	$ 79,248	$ 37,023	$ 41,656	$ 36,725
Contributions in Relation to the Statutorily Required Contribution	(95,885)	(79,248)	(37,023)	(41,656)	(36,725)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	$ 962,331	$ 835,986	$ 411,369	$ 491,112	$ 422,678
Contributions as a Percentage of Covered-Employee Payroll	9.96%	9.48%	9.00%	8.48%	8.69%

This schedule is presented to show information for 10 years.

(Continued)

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City of Manitou Springs, Colorado

Schedule of Proportionate Share of the Net Pension Liability and Contributions
Firefighters Statewide Defined Benefit Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

Measurement Date	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Proportionate Share of the Net Pension Liability					
City's Proportion of the Net Pension Liability	0.0640696184%	0.0595969000%	0.0641400000%	0.0646500000%	0.0681600000%
City's Proportionate Share of the Net Pension Liability	$ 81,002	$ (85,740)	$ 23,176	$ (1,140)	$ (76,927)
City's Covered-Employee Payroll	$ 349,428	$ 349,428	$ 328,841	$ 333,375	$ 306,525
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	23.18%	(24.54%)	7.05%	(0.34%)	(25.10%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.96%	106.30%	98.21%	100.10%	106.83%

Reporting Date	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
City Contributions					
Statutorily Required Contribution	$ 83,855	$ 34,334	$ 27,954	$ 26,307	$ 26,670
Contributions in Relation to the Statutorily Required Contribution	(83,855)	(34,334)	(27,954)	(26,307)	(26,670)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
City's Covered-Employee Payroll	422,678	349,428	$ 349,428	$ 328,841	$ 333,375
Contributions as a Percentage of Covered-Employee Payroll	19.84%	9.83%	8.00%	8.00%	8.00%

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado

Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024

Measurement Date	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Pension Liability					
Interest on the Total Pension Liability	$ 28,548	$ 29,320	$ 29,306	$ 29,931	$ 37,594
Difference between expected and actual experience of the Total Pension Liability	19,044	-	16,129	-	6,952
Changes of Assumptions	(8,684)	-	-	-	162,014
Benefit Payments	(47,175)	(45,801)	(44,466)	(43,171)	(41,914)
Net Change in Total Pension Liability	(8,267)	(16,481)	969	(13,240)	164,646
Total Pension Liability - Beginning	657,722	674,203	673,234	686,474	521,828
Total Pension Liability - Ending	$ 649,455	$ 657,722	$ 674,203	$ 673,234	$ 686,474
Plan Fiduciary Net Position					
Employer Contributions	$ 24,144	$ 47,936	$ 47,936	$ 18,730	$ 18,730
Pension Plan Net Investment Income	18,881	(43,267)	1,782	24,742	37,823
Benefit Payments	(47,175)	(45,801)	(44,466)	(43,171)	(41,914)
Pension Plan Administrative Expense	(1,141)	(2,532)	(975)	(2,299)	(1,168)
Net Change in Plan Fiduciary Net Position	(5,291)	(43,664)	4,277	(1,998)	13,471
Total Plan Fiduciary Net Position - Beginning	290,345	334,009	329,732	331,730	318,259
Total Plan Fiduciary - Ending	$ 285,054	$ 290,345	$ 334,009	$ 329,732	$ 331,730
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 649,455	$ 657,722	$ 674,203	$ 673,234	$ 686,474
Total Plan Fiduciary - Ending	285,054	290,345	334,009	329,732	331,730
Net Pension Liability (Asset)	$ 364,401	$ 367,377	$ 340,194	$ 343,502	$ 354,744
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.89%	44.14%	49.54%	48.98%	48.32%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

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City of Manitou Springs, Colorado
Schedule of Changes in Net Pension Liabilities and Related Ratios
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024
(Continued)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Interest on the Total Pension Liability	$ 37,852	$ 36,193	$ 36,383	$ 40,843	$ 41,014
Difference between expected and actual experience of the Total Pension Liability	-	26,018	-	(87,449)	-
Changes of Assumptions	-	-	-	26,286	-
Benefit Payments	(40,693)	(39,508)	(38,357)	(39,914)	(46,540)
Net Change in Total Pension Liability	(2,841)	22,703	(1,974)	(60,234)	(5,526)
Total Pension Liability - Beginning	524,669	501,966	503,940	564,174	569,700
Total Pension Liability - Ending	$ 521,828	$ 524,669	$ 501,966	$ 503,940	$ 564,174
Plan Fiduciary Net Position					
Employer Contributions	$ 16,956	$ 16,959	$ 21,799	$ 21,799	$ 19,672
Pension Plan Net Investment Income	371	45,694	17,007	5,687	22,581
Benefit Payments	(40,693)	(39,508)	(38,357)	(39,914)	(46,540)
Pension Plan Administrative Expense	(2,971)	(689)	(2,380)	(837)	(3,655)
Net Change in Plan Fiduciary Net Position	(26,337)	22,456	(1,931)	(13,265)	(7,942)
Total Plan Fiduciary Net Position - Beginning	344,596	322,140	324,071	337,336	345,278
Total Plan Fiduciary - Ending	$ 318,259	$ 344,596	$ 322,140	$ 324,071	$ 337,336
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 521,828	$ 524,669	$ 501,966	$ 503,940	$ 564,174
Total Plan Fiduciary - Ending	318,259	344,596	322,140	324,071	337,336
Net Pension Liability (Asset)	$ 203,569	$ 180,073	$ 179,826	$ 179,869	$ 226,838
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.99%	65.68%	64.18%	64.31%	59.79%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado

Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019
Total Pension Liability					
Service Cost	$ 6,232	$ 5,522	$ 5,522	$ 5,060	$ 5,060
Interest on the Total Pension Liability	36,677	37,067	37,361	38,828	39,533
Difference between expected and actual experience of the Total Pension Liability	-	(8,178)	-	(14,589)	-
Changes of Assumptions	-	5,560	-	-	-
Benefit Payments	(45,900)	(45,900)	(48,225)	(52,650)	(56,625)
Net Change in Total Pension Liability	(2,991)	(5,929)	(5,342)	(23,351)	(12,032)
Total Pension Liability - Beginning	543,450	549,379	554,721	578,072	590,104
Total Pension Liability - Ending	$ 540,459	$ 543,450	$ 549,379	$ 554,721	$ 578,072
Plan Fiduciary Net Position					
Employer Contributions	$ 38,000	$ 37,951	$ 26,964	$ 21,765	$ 21,765
Pension Plan Net Investment Income	33,974	(30,459)	48,014	37,237	42,064
Benefit Payments	(45,900)	(45,900)	(48,225)	(52,650)	(56,625)
Pension Plan Administrative Expense	(12,409)	(10,083)	(8,420)	(8,205)	(11,911)
State of Colorado supplemental discretionary payment	34,156	24,268	39,178	14,400	-
Net Change in Plan Fiduciary Net Position	47,821	(24,223)	57,511	12,547	(4,707)
Total Plan Fiduciary Net Position - Beginning	350,754	374,977	317,466	304,919	309,626
Total Plan Fiduciary - Ending	$ 398,575	$ 350,754	$ 374,977	$ 317,466	$ 304,919
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 540,459	$ 543,450	$ 549,379	$ 554,721	$ 578,072
Total Plan Fiduciary - Ending	398,575	350,754	374,977	317,466	304,919
Net Pension Liability (Asset)	$ 141,884	$ 192,696	$ 174,402	$ 237,255	$ 273,153
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.75%	64.54%	68.25%	57.23%	52.75%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

(Continued)

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City of Manitou Springs, Colorado

Schedule of Changes in Net Pension Liabilities and Related Ratios
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024

(Continued)

	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability					
Service Cost	$ 5,655	$ 5,655	$ 6,563	$ 6,563	$ 5,274
Interest on the Total Pension Liability	41,581	42,322	41,496	42,160	40,957
Difference between expected and actual experience of the Total Pension Liability	1,311	-	(1,436)	-	24,855
Changes of Assumptions	19,985	-	21,796	-	-
Benefit Payments	(59,054)	(56,700)	(57,225)	(57,905)	(53,550)
Net Change in Total Pension Liability	9,478	(8,723)	11,194	(9,182)	17,536
Total Pension Liability - Beginning	580,626	589,349	578,155	587,337	569,801
Total Pension Liability - Ending	$ 590,104	$ 580,626	$ 589,349	$ 578,155	$ 587,337
Plan Fiduciary Net Position					
Employer Contributions	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Pension Plan Net Investment Income	312	46,005	18,105	6,628	24,145
Benefit Payments	(59,054)	(56,700)	(57,225)	(57,905)	(53,550)
Pension Plan Administrative Expense	(11,616)	(10,873)	(813)	(1,838)	(941)
State of Colorado supplemental discretionary payment	28,800	-	14,400	14,400	14,400
Net Change in Plan Fiduciary Net Position	(25,558)	(5,568)	(9,533)	(22,715)	54
Total Plan Fiduciary Net Position - Beginning	335,184	340,752	350,285	373,000	372,946
Total Plan Fiduciary - Ending	$ 309,626	$ 335,184	$ 340,752	$ 350,285	$ 373,000
Net Pension Liability (Asset)					
Total Pension Liability - Ending	$ 590,104	$ 580,626	$ 589,349	$ 578,155	$ 587,337
Total Plan Fiduciary - Ending	309,626	335,184	340,752	350,285	373,000
Net Pension Liability (Asset)	$ 280,478	$ 245,442	$ 248,597	$ 227,870	$ 214,337
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	52.47%	57.73%	57.82%	60.59%	63.51%
Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado

Schedule of City Contributions
Old Hire Fire Pension Plan (FPPA)
For the Year Ended December 31, 2024

Fiscal Year Ending December 31,	Actuarially Determined Contribution* (a)	Actual Contribution* (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	$ 21,799	$ 21,799	$ -	N/A	N/A
2016	$ 21,799	$ 21,799	$ -	N/A	N/A
2017	$ 21,799	$ 21,799	$ -	N/A	N/A
2018	$ 21,799	$ 21,799	$ -	N/A	N/A
2019	$ 16,956	$ 16,956	$ -	N/A	N/A
2020	$ 18,730	$ 18,730	$ -	N/A	N/A
2021	$ 18,730	$ 18,730	$ -	N/A	N/A
2022	$ 23,968	$ 47,936	$ (23,968)	N/A	N/A
2023	$ 23,968	$ 47,936	$ (23,968)	N/A	N/A
2024	$ 24,144	$ 24,144	$ -	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer only and does not include employee amounts.

NOTES:

Actuarial Valuation Date:	1/1/2022
	Actuarially determined contribution rates are calculated as of January 1 of even numbered years.
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	N/A
Remaining Amortization Period:	N/A
Asset Valuation Method:	5-Year Smoothed Fair Value
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return	4.50%
Retirement Age:	Any remaining actives are assumed to retire immediately
Mortality:	Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled (pre-1980): Post-retirement rates set forward three years.

This schedule is presented to show information for 10 years.

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City of Manitou Springs, Colorado
Schedule of City Contributions
Volunteer Firefighters Pension Plan (FPPA)
For the Year Ended December 31, 2024

Fiscal Year Ending December 31,	Actuarially Determined Contribution* (a)	Actual Contribution* (b)	Contribution Deficiency (Excess) (a) - (b)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2016	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2017	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2018	$ 26,859	$ 30,400	$ (3,541)	N/A	N/A
2019	$ 28,688	$ 44,800	$ (16,112)	N/A	N/A
2020	$ 28,688	$ 21,765	$ 6,923	N/A	N/A
2021	$ 41,352	$ 36,165	$ 5,187	N/A	N/A
2022	$ 41,352	$ 66,142	$ (24,790)	N/A	N/A
2023	$ 37,951	$ 62,219	$ (24,268)	N/A	N/A
2024	$ 37,951	$ 72,156	$ (34,205)	N/A	N/A

* - Actuarially Determined Contribution is net of employee contributions. Actual contribution is from the employer and State of Colorado Supplemental Discretionary Payment.

NOTES:

Actuarial Valuation Date:	1/1/2021 Actuarially determined contribution rates are calculated as of January 1 of odd numbered years.
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Dollar, Open
Remaining Amortization Period:	20 years *
Asset Valuation Method:	5-Year Smoothed Fair Value
Inflation:	2.50%
Salary Increases:	N/A
Investment Rate of Return	7.00%
Retirement Age:	50% per year of eligibility until 100% at age 65.
Mortality:	Pre-retirement: 2006 central rates from the RP-2014 Employee Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years, 50% multiplier for off-duty mortality. Post-retirement: 2006 central rates from the RP-2014 Annuitant Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years. Disabled: 2006 central rates from the RP-2014 Disabled Mortality Tables for males and females projected to 2018 using the MP-2017 projection scales, and then projected prospectively using the ultimate rates of the scale for all years.

* - Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

This schedule is presented to show information for 10 years.

City of Manitou Springs, Colorado

Notes to Required Supplementary Information
December 31, 2024

Note 1: Stewardship, Compliance, and Accountability

Budgets

Budgets are legally adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis, whereby capital outlay and debt principal are budgeted as expenditures.

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- In September, Management submits to the City Council a proposed budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Budgets amended by the City Council during the year have been presented in the budgetary comparison schedules for each fund amended.
- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

For the year ended December 31, 2024, the Storm Drainage expenses the budgeted amount. These may be violations of State statutes.

Note 2: Defined Benefit Pension Plans

FPPA Police and Fire Statewide Defined Benefit Plans

Changes in Plan Provisions - The plan provisions have not changed since the prior valuation. The member contribution rate increased in 2024 as a result of member election.

Benefit Adjustments - Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the FPPA Board of Directors discretion and can range from 0% to 3%. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months to October 1.

Changes of Assumptions - Beginning in the January 1, 2014, the married assumption for active members was increased from 80% to 85% to reflect the passage of the Colorado Civil Union Act.

Note 2: Defined Benefit Pension Plans (Continued)

Local Government Division Trust Fund Defined Benefit Plan (PERA)

The Public Employees' Retirement Association of Colorado Local Government Division Trust Fund's net pension liability and associated amounts are measured annually at December 31, based on an actuarial valuation as of the previous December 31. The City's contributions and related ratios represent cash contributions and any related accruals that coincide with the City's fiscal year ending on the subsequent December 31.

Changes in Assumptions and Other Inputs - For the year ended December 31, 2024, the total pension liability was determined by an actuarial valuation as of December 31, 2022. The following revised economic and demographic assumptions were effective as of December 31, 2022.

- Investment rate of return assumption of 7.25% per year, compounded annually. This assumption did not change from the prior year.
- Price inflation assumption of 2.3% per year. This assumption did not change from the prior year.
- Real rate of investment return assumption of 4.85% per year, net of investment expenses. The rate reflected in the roll-forward calculation of the collective total pension liability to the measurement date was 7.25%. This assumption did not change from the prior year.
- Wage inflation assumption of 3.0% per year. This assumption did not change from the prior year.
- Healthy and disabled mortality assumptions are based on the PubG-2010 Employee Tables.

Supplementary Information

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Combining and Individual Fund Statements and Schedules

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City of Manitou Springs, Colorado

Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds					Capital Project Fund		
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Beckers Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	Total
Assets								
Cash and Investments	$ 653,149	$ 388,839	$ 7,811	$ 416,247	$ 306,102	$ 141,211	$ (169,745)	$ 1,743,614
Property Taxes Receivable	83,272	-	-	-	104,090	-	-	187,362
Due From Other Governments	4,982	-	-	71,486	2	-	218,415	294,885
Total Assets	$ 741,403	$ 388,839	$ 7,811	$ 487,733	$ 410,194	$ 141,211	$ 48,670	$ 2,225,861
Liabilities								
Accounts Payable	$ 44,109	$ 14,162	$ -	$ 9,425	$ 19	$ -	$ 48,670	$ 116,385
Total Liabilities	44,109	14,162	-	9,425	19	-	48,670	116,385
Deferred Inflows of Resources								
Deferred Property Tax Revenue	83,272	-	-	-	104,090	-	-	187,362
Fund Balance								
Restricted								
Parks and Open Space	614,022	374,677	-	478,308	306,085	-	-	1,773,092
Law Enforcement	-	-	7,811	-	-	-	-	7,811
Assigned to Capital Projects								
Capital Projects	-	-	-	-	-	141,211	-	141,211
Total Fund Balance	614,022	374,677	7,811	478,308	306,085	141,211	-	1,922,114
Total Liabilities, Deferred Inflows and Fund Balance	$ 741,403	$ 388,839	$ 7,811	$ 487,733	$ 410,194	$ 141,211	$ 48,670	$ 2,225,861

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue Funds					Capital Projects Fund		
	Open Space Fund	Conservation Trust Fund	Law Enforcement Fund	Mach Fund	El Paso/ Becker Park Fund	Downtown Public Facilities Fund	Rural Transportation Authority Fund	Total
Revenues								
Taxes	$ 228,155	$ -	$ -	$ 463,400	$ 103,801	$ -	$ -	$ 795,356
Intergovernmental	-	58,770	-	-	-	-	636,043	694,813
Fines and Forfeitures	-	-	5,377	-	-	-	-	5,377
Investment Income	18,533	12,285	402	13,749	-	-	-	44,969
Other Income	1,555	-	-	-	-	-	-	1,555
Total Revenues	248,243	71,055	5,779	477,149	103,801	-	636,043	1,542,070
Expenditures								
Public Works	33,279	-	-	-	-	-	-	33,279
Culture and Recreation	63,945	67,184	-	515,752	4,235	-	-	651,116
Capital Outlay	94,596	-	23,008	-	-	-	515,133	632,737
Total Expenditures	191,820	67,184	23,008	515,752	4,235	-	515,133	1,317,132
Excess Revenues Over/ (Under) Expenditures	56,423	3,871	(17,229)	(38,603)	99,566	-	120,910	224,938
Other Financing Sources (Uses)								
Transfers Out	(9,150)	-	(1,420)	(3,230)	(46,090)	-	-	(59,890)
Net Change in Fund Balance	47,273	3,871	(18,649)	(41,833)	53,476	-	120,910	165,048
Fund Balance, *Beginning of Year*	566,749	370,806	26,460	520,141	252,609	141,211	(120,910)	1,757,066
Fund Balance, *End of Year*	$ 614,022	$ 374,677	$ 7,811	$ 478,308	$ 306,085	$ 141,211	$ -	$ 1,922,114

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Open Space Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 86,670	$ 81,787	$ 83,036	$ 1,249
Sales Tax	155,000	152,800	145,119	(7,681)
Investment Income	15,000	19,000	18,533	(467)
Miscellaneous	417	1,555	1,555	-
Total Revenues	257,087	255,142	248,243	(6,899)
Expenditures				
Capital Outlay	100,000	200,000	94,596	105,404
Other Funds and Capital	275,340	118,000	97,224	20,776
Total Expenditures	375,340	318,000	191,820	126,180
Excess Revenues Over (Under) Expenditures	(118,253)	(62,858)	56,423	119,281
Other Financing Sources (Uses)				
Transfers Out	(9,000)	(9,000)	(9,150)	(150)
Net Change in Fund Balance	(127,253)	(71,858)	47,273	119,131
Fund Balance, *Beginning of Year*	511,397	566,750	566,749	(1)
Fund Balance, *End of Year*	$ 384,144	$ 494,892	$ 614,022	$ 119,130

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Conservation Trust Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Government Shared Revenues	$ 55,000	$ 65,000	$ 58,770	$ (6,230)
Interest	11,000	14,700	12,285	(2,415)
Total Revenues	66,000	79,700	71,055	(8,645)
Expenditures				
Parks and Recreation	133,000	133,000	67,184	65,816
Total Expenditures	133,000	133,000	67,184	65,816
Net Change in Fund Balance	(67,000)	(53,300)	3,871	57,171
Fund Balance, *Beginning of Year*	216,715	370,806	370,806	-
Fund Balance, *End of Year*	$ 149,715	$ 317,506	$ 374,677	$ 57,171

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Law Enforcement Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and Forfeitures	$ 18,000	$ 6,000	$ 5,377	$ (623)
Grants/Contributions	2,250	2,250	-	(2,250)
Interest	-	470	402	(68)
Total Revenues	20,250	8,720	5,779	(2,941)
Expenditures				
Capital Outlay	17,930	23,008	23,008	-
Total Expenditures	17,930	23,008	23,008	-
Excess Revenues Over (Under) Expenditures	2,320	(14,288)	(17,229)	(2,941)
Other Financing Sources (Uses)				
Transfers Out	(1,420)	(1,420)	(1,420)	-
Net Change in Fund Balance	900	(15,708)	(18,649)	(2,941)
Fund Balance, *Beginning of Year*	11,565	26,460	26,460	-
Fund Balance, *End of Year*	$ 12,465	$ 10,752	$ 7,811	$ (2,941)

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Mach Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 465,000	$ 437,400	$ 463,400	$ 26,000
Interest	-	13,500	13,749	249
Total Revenues	465,000	450,900	477,149	26,249
Expenditures				
Culture and Recreation	462,360	515,752	515,752	-
Total Expenditures	462,360	515,752	515,752	-
Excess Revenues Over (Under) Expenditures	2,640	(64,852)	(38,603)	26,249
Other Financing Sources (Uses)				
Transfers Out	(3,230)	(3,230)	(3,230)	-
Net Change in Fund Balance	(590)	(68,082)	(41,833)	26,249
Fund Balance, *Beginning of Year*	459,662	520,141	520,141	-
Fund Balance, *End of Year*	$ 459,072	$ 452,059	$ 478,308	$ 26,249

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
El Paso/ Beckers Park Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Property Taxes	$ 108,300	$ 102,233	$ 103,801	$ 1,568
Total Revenues	108,300	102,233	103,801	1,568
Expenditures				
Culture and Recreation	39,730	39,730	4,235	35,495
Total Expenditures	39,730	39,730	4,235	35,495
Excess of Revenues Over (Under) Under Expenditures	68,570	62,503	99,566	37,063
Other Financing Sources (Uses)				
Transfers Out	(46,090)	(46,090)	(46,090)	-
Net Change in Fund Balance	22,480	16,413	53,476	37,063
Fund Balance, *Beginning of Year*	226,279	252,609	252,609	-
Fund Balance, *End of Year*	$ 248,759	$ 269,022	$ 306,085	$ 37,063

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Rural Transportation Authority Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Intergovernmental	$ 1,107,469	$ 2,613,432	$ 636,043	$ (1,977,389)
Total Revenues	1,107,469	2,613,432	636,043	(1,977,389)
Expenditures				
Capital Outlay	1,107,469	2,613,432	515,133	2,098,299
Total Expenditures	1,107,469	2,613,432	515,133	2,098,299
Net Change in Fund Balance	-	-	120,910	120,910
Fund Balance, *Beginning of Year*	-	-	(120,910)	(120,910)
Fund Balance, *End of Year*	$ -	$ -	$ -	$ -

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Enterprise Fund
Storm Drainage Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Special Assessments	$ 438,600	$ 492,000	$ 494,775	$ 2,775
Interest	24,000	36,000	32,308	(3,692)
Miscellaneous	-	-	67,917	67,917
Total Revenues	462,600	528,000	595,000	67,000
Expenses				
Operations and Maintenance	675,925	653,115	266,786	386,329
Capital Outlay	15,000	15,000	-	15,000
Debt Service	75,708	75,708	74,318	1,390
Transfers Out	1,400	1,400	1,400	-
Total Expenditures	768,033	745,223	342,504	402,719
Net Income Budget Basis	$ (305,433)	$ (217,223)	252,496	$ 469,719
Reconciliation to GAAP Basis				
Depreciation			(461,254)	
Debt Principal			64,927	
Change in Net Position, *GAAP Basis*			$ (143,831)	

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City of Manitou Springs, Colorado

Budgetary Comparison Schedule
Enterprise Fund
Water Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges For Services	$ 2,036,800	$ 2,151,460	$ 2,141,920	$ (9,540)
Intergovernmental	-	2,139,902	1,193,543	(946,359)
Loan Forgiveness	-	-	1,142,509	1,142,509
Interest	100,000	60,000	32,555	(27,445)
Tap Fees	39,600	39,600	32,459	(7,141)
Miscellaneous	625	363	471	108
Total Revenue	2,177,025	4,391,325	4,543,457	152,132
Expenses				
Operations	2,929,545	4,587,480	1,266,827	3,320,653
Capital Outlay	1,950,000	3,246,402	1,538,884	1,707,518
Debt Service	412,307	411,003	368,381	42,622
Transfers Out	141,210	141,210	138,725	2,485
Total Expenses	5,433,062	8,386,095	3,312,817	5,073,278
Net Income Budget Basis	$ (3,256,037)	$ (3,994,770)	1,230,640	$ 5,225,410
Reconciliation to GAAP Basis				
Depreciation			(537,611)	
Capital Outlay			1,538,884	
Debt Principal			306,572	
Change in Net Position, *GAAP Basis*			$ 2,538,485	

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Enterprise Fund
Sewer Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 1,648,500	$ 1,522,500	$ 1,447,539	$ (74,961)
Loan Forgiveness	-	-	36,727	36,727
Interest Income	110,000	82,250	157,043	74,793
Miscellaneous	549	1,453	2,537	1,084
Capital Contributions	8,085	8,085	17,133	9,048
Total Revenue	1,767,134	1,614,288	1,660,979	46,691
Expenses				
Operations	1,089,450	1,048,454	956,973	91,481
Capital Outlay	870,000	526,084	136,173	389,911
Debt Service	125,552	140,896	138,518	2,378
Transfers Out	60,740	60,740	60,740	-
Total Expenses	2,145,742	1,776,174	1,292,404	483,770
Net Income Budget Basis	$ (378,608)	$ (161,886)	368,575	$ 530,461
Reconciliation to GAAP Basis				
Depreciation			(259,093)	
Capital Outlay			101,202	
Debt Principal			94,245	
Change in Net Position, *GAAP Basis*			$ 304,929	

See Accompanying Independent Auditor's Report.

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City of Manitou Springs, Colorado
Budgetary Comparison Schedule
Enterprise Fund
Mobility and Parking Fund
For the Year Ended December 31, 2024

	Original Budget	Final Budget	Actual	Variance *Positive (Negative)*
Revenues				
Charges for Services	$ 3,214,370	$ 3,163,070	$ 3,053,092	$ (109,978)
Contributions and Donations	325,000	-	-	-
Interest Income	45,000	18,000	47,300	29,300
Miscellaneous	-	-	51,422	51,422
Total Revenue	3,584,370	3,181,070	3,151,814	(29,256)
Expenses				
Mobility/Parking	1,659,675	2,919,083	1,748,898	1,170,185
Capital Outlay	1,386,600	1,136,106	1,694,699	(558,593)
Debt Service	65,310	119,952	137,709	(17,757)
Transfers Out	38,470	887,169	887,169	-
Total Expenses	3,150,055	5,062,310	4,468,475	593,835
Net Income Budget Basis	$ 434,315	$ (1,881,240)	(1,316,661)	$ 564,579
Reconciliation to GAAP Basis				
Depreciation			(267,153)	
Capital Outlay			1,190,415	
Debt Principal			119,952	
Change in Net Position, *GAAP Basis*			$ (273,447)	

See Accompanying Independent Auditor's Report.

Compliance Section

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manitou Springs, Colorado (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated (Date).

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Englewood, Colorado
(Date)

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with the Uniform Guidance

Honorable Mayor and Members of the City Council
City of Manitou Springs, Colorado
Manitou Springs, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Manitou Springs, Colorado (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Englewood, Colorado
(Date)

City of Manitou Springs, Colorado
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I: Summary of Auditor's Results

Financial Statements
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP): Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards
Internal control over major federal programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified? ☐ Yes ☒ None Reported

Type of Auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Cluster/Program
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

(Continued)

Section II: Financial Statement Findings

No current year findings or questioned costs were reported.

Section III: Federal Awards Findings and Questioned Costs

No current year findings or questioned costs were reported.

DRAFT

City of Manitou Springs, Colorado

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

Section I: Financial Statement Findings

None reported for the year ended December 31, 2023.

Section II: Federal Award Findings and Questioned Costs

None reported for the year ended December 31, 2023.

DRAFT

City of Manitou Springs, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Expenditures
U.S. Department of Treasury		
Pass-through: El Paso County		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	$ 1,072,803
Total U.S. Department of Treasury		1,072,803
U.S. Department of Transportation		
Community Development Block Grant	14.218	338,000
Total U.S. Department of Transportation		338,000
U.S. Department of Transportation		
Pass-through: Colorado Department of Transportation		
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	259,746
Total U.S. Department of Transportation		259,746
Total Federal Financial Assistance		$ 1,670,549

See Notes to the Schedule of Federal Expenditures Awards.

City of Manitou Springs, Colorado

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Manitou Springs, Colorado (the City) under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Administrative Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are generally reported using the cash basis of accounting. Such expenditures are recognized following, as applicable, either the Cost Principles in Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments or the cost principles contained in the Uniform Guidance. As such, certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed.

DRAFT

State Compliance

DRAFT

Form Approved
OMB No. 2125-0032

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO YEAR ENDING (mm/yy): 12/2024
This Information From The Records Of: City of Manitou Springs	Prepared By: Rebecca Davis, rdavis@manitouspringsco.gov

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	$ 2,518,384.72
3. Other local imposts (from page 2)	$ 459,604.32
4. Miscellaneous local receipts (from page 2)	$ 74,245.33
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	
c. Notes	
d. Total (a. + b. + c.)	$ -
7. Total (1 through 6)	$ 3,052,234.37
B. Private Contributions	
C. Receipts from State government (from page 2)	$ 215,381.95
D. Receipts from Federal Government (from page 2)	$ 218,668.87
E. Total receipts (A.7 + B + C + D)	$ 3,486,285.19

III. EXPENDITURES FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway expenditures:	
1. Capital outlay (from page 2)	$ 757,882.19
2. Maintenance:	$ 1,129,885.00
3. Road and street services:	
a. Traffic control operations	$ 23,417.00
b. Snow and ice removal	$ 72,285.00
c. Other	$ 67,569.00
d. Total (a. through c.)	$ 163,271.00
4. General administration & miscellaneous	$ 49,251.00
5. Highway law enforcement and safety	$ 1,385,996.00
6. Total (1 through 5)	$ 3,486,285.19
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	$ -
3. Total (1.c + 2.c)	$ -
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total expenditures (A.6 + B.3 + C + D)	$ 3,486,285.19

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				$ -
1. Bonds (Refunding Portion)				$ -
B. Notes (Total)				$ -

V. LOCAL ROAD AND STREET FUND BALANCE (RECEIPTS AND DISBURSEMENTS ONLY)

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	$ 3,486,285.19	$ 3,486,285.19		$ -

Notes and Comments:

DRAFT

LOCAL HIGHWAY FINANCE REPORT	STATE: COLORADO
	YEAR ENDING (mm/yy): 12/2024

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	$ 11,115.33
1. Sales Taxes	$ 356,498.00	c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	$ 63,130.00
5. Specific Ownership &/or Other	$ 103,106.32	g. Other Misc. Receipts	
6. Total (1. through 5.)	$ 459,604.32	h. Other	
c. Total (a. + b.)	$ 459,604.32	i. Total (a. through h.)	$ 74,245.33
(Carry forward to page 1)		***(Carry forward to page 1)***	

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes (from Item I.C.5.)	$ 176,568.48	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	$ 16,260.58	d. Federal Transit Administration	$ 218,668.87
d. DOLA Grant	$ 5,898.28	e. U.S. Corps of Engineers	
e. Other-Road & Bridge	$ 16,654.61	f. Other Federal ARPA	
f. Total (a. through e.)	$ 38,813.47	g. Total (a. through f.)	$ 218,668.87
4. Total (1. + 2. + 3.f)	$ 215,381.95	3. Total (1. + 2.g)	$ 218,668.87
(Carry forward to page 1)		***(Carry forward to page 1)***	

III. EXPENDITURES FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			$ -
b. Engineering Costs		$ 165,838.39	$ 165,838.39
c. Construction:			
(1). New Facilities			$ -
(2). Capacity Improvements	$ 51,185.80		$ 51,185.80
(3). System Preservation		$ 540,858.00	$ 540,858.00
(4). System Enhancement And Operation			$ -
(5). Total Construction (1)+(2)+(3)+(4)	$ 51,185.80	$ 540,858.00	$ 592,043.80
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	$ 51,185.80	$ 706,696.39	$ 757,882.19
(Carry forward to page 1)			

Notes and Comments:

Memorandum

Title: Public Engagement for 2026/2027 Budget and Approval of a COLA
From: Denise Howell and Becca Davis
To: Mayor and City Council
CC: City Administrator Denise Howell
Allocated Time: 30 Minutes

January 20, 2026

Purpose:

Approval for Public Engagement for 2026/2027 Budget and COLA

Background:

Budget Context and Current Financial Position

Over the past few years, City Council has been setting aside extra reserves to help cushion the drop in sales tax revenues. However, once the reserves are used, it will be difficult to rebuild them and also complete important capital projects.

The 2026 budget was approved on December 11, 2025. At that time, Council requested a February work session to evaluate potential additional reductions following the failure of Ballot Issue 2A. Council also directed staff to reallocate the COG reimbursement expenditure to an assigned fund balance dedicated specifically to fire mitigation. The Fire Department is preparing a formal proposal for Council review in February detailing the optimal use of these funds.

The 2024 audit reported an unassigned fund balance of $8,493,390, which is approximately $95,000 higher than anticipated.

As a result:

- Projected fund balance at the end of 2025: $6,872,571
- Projected fund balance at the end of 2026: $4,428,872

While we will not have final 2025 sales tax or expenditure numbers until mid-April, we anticipate reserves ending slightly higher than the current projection of approximately $6,872,571, which would raise the ending 2026 fund balance above $4.4 million.

GFOA Best Practice

The Government Finance Officers Association (GFOA) recommends maintaining a fund balance equal to two months of operating expenditures plus debt service.

For Manitou Springs, this equals approximately $2,100,000. Given the City's reliance on tourism and associated revenue volatility, maintaining a slightly higher reserve might be warranted.

Reductions, Offsets, and New Savings

The 2026 budget already included approximately $700,000 in reductions compared with 2025. However, some of these savings were offset by a 60% increase in casualty and property insurance.

Additional savings have since emerged:

- $100,000 in lower medical insurance premiums, which is not yet reflected in the adopted 2026 budget.

Recommendation: Public Engagement to Help Inform City Council's Budget Decisions

Before considering further reductions, it may be beneficial to follow best-practice models employed by peer communities. Many of these communities annually conduct public engagement to identify shared priorities, ensuring budget decisions align with community values and expectations.

A streamlined engagement process—without a full RFP—could be completed as follows:

Proposed Timeline:

- **February:** Solicit three proposals from qualified community engagement firms.
- **March–May:** Conduct three community workshops, one business community workshop, one staff meeting, and an online community survey to gather community service priorities and preferences about 2026/2027 budget decisions.
- **June:** Present findings to City Council for consideration during the 2026/2027 budget planning cycle.
- **Approximate Cost:** $25,000 or less

Direction Requested from Council This Evening - Do you want the city to move forward with the community engagement process?

Request for 2% COLA (Effective February 1)

Given the combination of:

- previously approved budget reductions,
- new ongoing savings from reduced health insurance costs,
- inflationary pressure on the City's workforce, and
- the need to maintain competitive compensation while preserving core service levels,

I respectfully request Council approval of a 2% Cost-of-Living Adjustment, effective February 1, for all staff except senior leadership. The budget implication is $89,000.

Purpose

This modest COLA helps offset inflation for employees and supports workforce stability. It does **not** expand ongoing obligations beyond available resources.

Funding Plan

The COLA will be fully funded using healthcare savings and does not require:

- any additional budget appropriations, or
- reductions to public-facing service levels.

Policy Alignment

This adjustment is consistent with the City's **compensation policy framework**, which allows targeted COLA implementation while maintaining fiscal responsibility and compliance with established procedures.

Fiscal Impact:
$114,000 (Combined community engagement and COLA)

Workload Impact:
Unknown

Recommended Action:

Motion to approve moving forward with the public engagement process and allocate $25,000 for the process.
Motion to approve the 2% COLA for staff excluding senior leadership.

Public Engagement Plan

Contents

Introduction

Purpose

This guide serves as a resource for all City of Manitou Springs employees who find themselves planning, coordinating, documenting, and evaluating community engagement activities. The principles applied throughout this document are based on the International Association of Public Participation (IAP2) framework.

The guide's primary focus is on *Engagement Planning* and offers a framework to:

- Clearly articulate the decision or intended outcome
- Determine the appropriate level of public engagement
- Identify stakeholders
- Select engagement techniques
- Document and assess engagement activities
- Follow through with stakeholders

The guide also introduces the concept of *Sustainable Decisions*. This concept is useful for those who are analyzing public input, preparing recommendations, and making decisions.

Our Role as City Employees

The work of City employees touches the daily lives of community members and contributes to the safety, health, and quality of life of all who live and work in Manitou Springs. Our work plays a critical role in public engagement. As City staff, we are responsible for assessing the public's interest in a decision or outcome, identifying the level of influence the public is able to have, and creating effective public participation opportunities for the full range of stakeholders.

What is Effective Public Participation?

- Effective public participation acknowledges the desire for individuals to participate in decisions that affect them
- Effective public participation facilitates understanding
- Effective public participation improves decisions
- Effective public participation strives for inclusivity and equity

**Adapted from International Association for Public Participation (IAP2)*

Inclusivity & Equity

Our community is committed to furthering inclusivity and equity in local decisions. The design of engagement plans and our adherence to the *Sustainable Decision* framework are paramount to ensuring that underrepresented community members are included in our conversations and represented in outcomes. This guide intentionally weaves inclusion and equity *into* our engagement planning and decision-making processes. By thoroughly identifying stakeholders, selecting techniques that allow diverse perspectives, removing barriers to participation, and weighing decisions through a lens of overall community benefit, we help the community move closer to its equity and inclusion commitments.

No Person, and No Group, Speaks for the Public

The public is defined as "any individual, group, or entity with an interest in the outcome of a decision." No one singular person, nor group, can speak for the public. It is our job to actively try to involve all identified stakeholders in the engagement process.

"If you are not at the table,

you are probably on the menu."

-Unknown

To Engage, or Not to Engage

If input from the public cannot influence the decision or will not be used by the decision-makers, it is not appropriate to implement public participation activities. It is more appropriate to disseminate information.

It is unfair to the public, the community, and the public process practitioners who coordinate public engagement activities to gather feedback and advice from the public, via any public participation technique, and then not consider what the engagement created.

Public participation is when the public influences authority.

Public relations is when authority influences the public.

Public participation ≠ public relations. Public engagement should **never** be used to prove a point or gain support.

The City of Manitou Springs pledges to only use public engagement if we plan to use the feedback from the public in our decision-making process.

Learn more about IAP2

The International Association for Public Participation, also known as IAP2, began in 1992 and is considered a leader in the advancement of public participation across the world. The IAP2 *Spectrum of Public Participation* is widely used by local, state, and federal governments to promote meaningful, inclusive, and thoughtful engagement and serves as a foundation for this guide. The IAP2 also offers a range of resources, trainings, and certifications. For more information, please visit the following website:

www.iap2.org

Engagement Planning

What is an Engagement Plan?

An engagement plan is a document that establishes the approach to engagement that will be applied to a specific project or project phase. The plan is created ***before*** a project starts to ensure the role, interest, and influence of the public on a decision or outcome is understood.

Engagement plans benefit project outcomes because they:

- Clearly define the purpose and scope of a project
- Establish the public's role in decisions or tangible outcomes
- Align expectations for engagement opportunities between City staff, public officials, and the community
- Equip City staff to communicate and engage with our *whole* community
- Ensure transparency in City decisions, actions, and decision-making processes

A Public Engagement Plan Worksheet is available in the appendix.

When is an Engagement Plan Needed?

Most of the day-to-day tasks of providing City services don't require a detailed engagement plan. Other processes have standards which follow state, federal, or grant requirements for public involvement.

Other projects, particularly those where the anticipated outcome or decision will affect the public, can benefit from an engagement plan.

City projects vary widely in complexity. Many projects result in a single decision or outcome while other projects involve a series of decisions or outcomes before the project is deemed complete. Projects that require more than one decision may require separate engagement plans to ensure the public's role remains clear and engagement techniques remain aligned to the public's ability to influence the decision. This circumstance is addressed more thoroughly in the *Document the Project Basics* section of the guide.

It is common for there to be cases where the public *cannot* influence a decision. Examples include when the City is required to comply with a state or federal law or standard. Engagement activities for these situations are strictly to *inform* the public and great care must be taken to be clear in conveying the limited role of the public at a local level.

How to Use this Guide

The opportunity for meaningful public participation varies from project to project. While it is not possible to apply the same plan to every project, it is possible to approach planning in a repeatable way to ensure balanced and lasting outcomes.

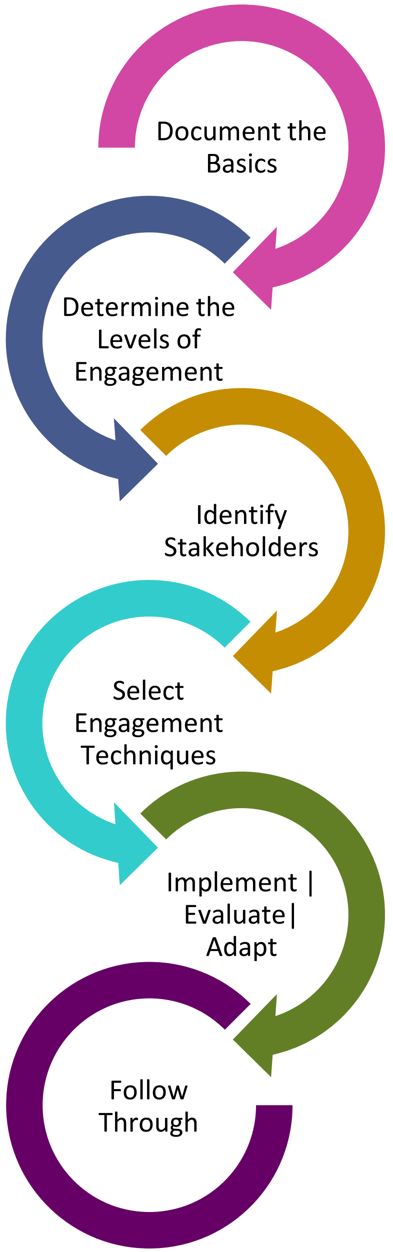
This guide is organized to help our departments apply a consistent approach to the engagement planning process. By committing to a strategic step-by-step process, we are better able to thoughtfully consider the decision or intended outcome, accurately define the public's ability to influence an outcome, and include the stakeholders who may be affected by a project. All of these actions are taken *before* engagement techniques are selected.

This guide is intentionally organized to ensure the steps below are completed in order:

- Step 1: Document the Basics
- Step 2: Determine the Levels of Engagement
- Step 3: Identify Stakeholders
- Step 4: Select Engagement Techniques
- Step 5: Implement | Evaluate | Adapt
- Step 6: Follow Through

This sequence may feel awkward in the beginning because our general habit is to select techniques as a first step. By developing a deeper understanding of *why* engagement is occurring, *how* the public can shape the decision or outcome, and *who* will need to be involved, we are better able to meaningfully engage with the community.

Develop your engagement plan early to allow time to notify, educate, involve, and follow through with the public. Provide the public a minimum of 21 days notice for public engagement activities. For small projects, begin planning your public engagement efforts at least 2 -3 months before final decisions are to be made; medium and large projects may require additional time.



Document the Project Basics

Documenting the project basics orients City staff, public officials, and the community to the overall project and gives context for engagement opportunities throughout the process. Careful planning and preparation ensures a complete understanding of the project, including the purpose, timeline, decision or outcome, how the final decision will be made and by whom. Documenting basics also prepares us all to be clear, open, and accurate with the community from the very beginning of the project.

Project Basics focus on the overall project's final decision or outcome and remain the same throughout all project phases.

Project Title & Background

The project title is a short, simple name for the overall project. The project background is a succinct description of the project's purpose and addresses why the public will be invested in the outcome. If the project has several phases, identify the phases in this section.

Final Outcome

Clearly and briefly state the project's final outcome. The final outcome represents the end of the project and answers the question, *"Why should I participate?"* at the highest level.

Who Makes the Decision

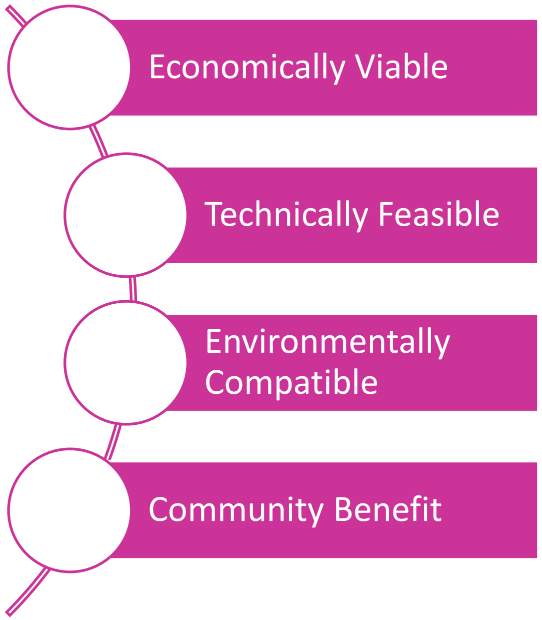
Identify the individual or body that will determine the final outcome. This is typically a Department Director, the City Manager, the City Council, or via delegation by an appointed body.

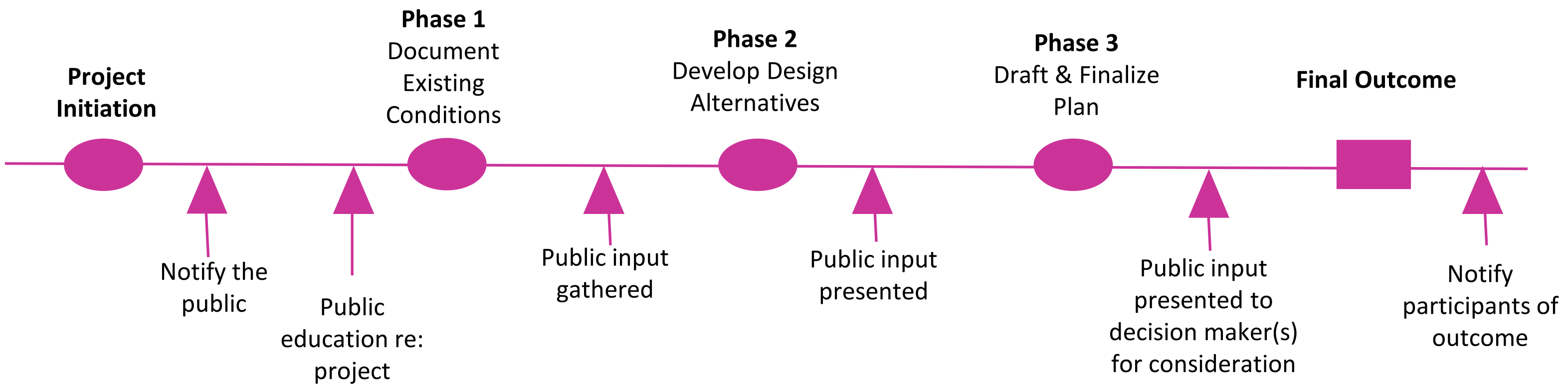
Decision Criteria

Document the criteria on which the decision will be made in as much detail as possible. Decision criteria is typically based on legal requirements, grant requirements, local, state and federal laws, and alignment to various Master Plans or initiatives.

Detailed decision criteria provides transparency to the public and encourages more effective participation. It also allows decision makers to easily weigh public input in relation to the decision criteria.

City staff is encouraged to identify and convey decision criteria based on the *Sustainable Decisions* framework shown in the diagram on the right and described on page 8.





Project Timeline

A project timeline is a valuable tool for both planning an effective engagement process and for communicating the project's overall course and current status. It also helps to identify the basic who, what, when, where and how questions associated with the overall process.

Start with the final target date and work backwards to identify the decisions and tangible outcomes that will occur during the project's lifecycle. If a decision or outcome can be influenced by the public, this denotes an engagement milestone. Engagement milestones typically align with project phases.

Timelines can be presented in a variety of ways including as graphics, Gantt charts, and lists. The diagram to the right is a simple graphic.

Sustainable Decisions

Engagement planning focuses on reaching a decision or tangible outcome. The section explains the *Sustainable Decision* framework and the importance of providing the public with a predictable decision-making process.

What is a Sustainable Decision?

Simply put, a *Sustainable Decision* is a decision that is both in balance and expected to last. The *Sustainable Decision* framework provides decision makers with a set of lenses to organize and evaluate the information and public input received for a specific project or outcome in a predictable way. The lenses are:

- ✓ **Economically Viable:** Is it in the budget? Can we afford it? Is one option more or less expensive than other options?
- ✓ **Technically Feasible:** Can we actually do this? Is it legally allowed? Is it dependent on cooperation from other agencies? Is one option less complicated than the other options?
- ✓ **Environmentally Compatible:** Is there an obvious environmental impact? Can the impact be avoided with modification? Is one option less impactful than other options?
- ✓ **Community Benefit:** Who does this decision affect positively? Who does this decision affect negatively? How does this decision align with our guiding plans (e.g. Plan Manitou, Transportation and Mobility Master Plan, etc?) Does one option address or ease existing disparities more than other options? Community benefit is more than just the results of a public engagement process; it is the sum total of all the long-term factors that affect the outcome for the community.

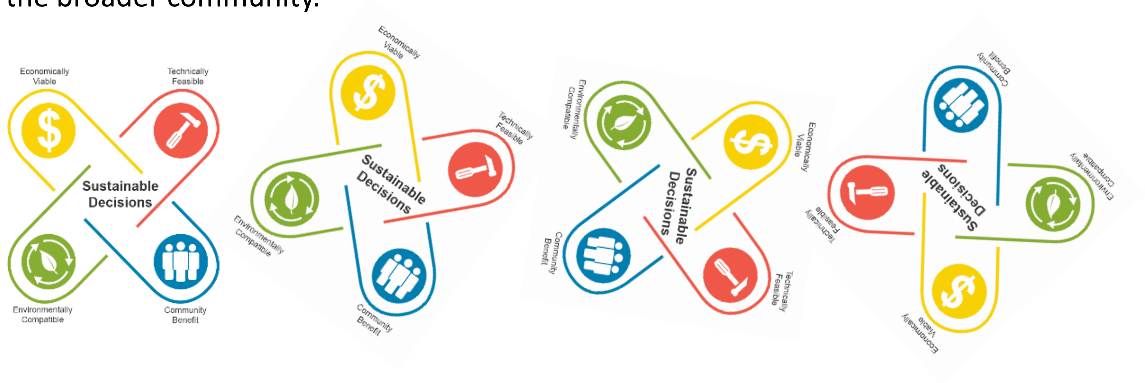
In general, staff is responsible for gathering, organizing, and presenting information for each of the different components of the *Sustainable Decision* framework, so that decision makers can take get a full picture of the different dimensions of the topic being discussed.

Adapted from IAP2

Applying the Framework

The *Sustainable Decision* framework provides City staff, decision makers and the broader community with a consistent and easy to understand approach to decision-making. The framework helps staff to organize information and prepare recommendations for decision makers in a consistent and repeatable manner. It allows the public to know ahead of time what decision makers will consider and encourages those providing comment or engaging in the process to consider their own perspectives through these lenses. Lastly, it provides a methodical way for decision makers to organize the information, data, and public input that comes to them through staff and stakeholders.

The framework is especially helpful as a decision picks up a political charge. As this occurs, interest usually pulls into one of the four quadrants. For example, decisions that draw attention from a localized area of town will draw testimony that pulls heavily towards community benefit. Yet, decision makers are accountable for balanced and lasting decisions that consider the whole community in relation to budget, resources, environment, and equity. In this case, the framework provides decision makers with a means to balance the input they receive alongside the other three quadrants to make the best decision for the broader community.



Committing to Sustainable Decisions

City staff, decision makers, and community members each play a critical role in our community's ability to make sustainable local decisions *together*.

- **City staff** is encouraged to be consistent when applying the *Sustainable Decision* framework when engaging with the community members, preparing recommendations for decision makers, and following up with stakeholders.

- **Decision makers** are encouraged to tether decision-making to the framework and explain how the framework influenced the rationale for each vote or decision. This offers transparency to stakeholders and provides City staff with valuable information to effectively follow through with those who engaged in the process.

- **City staff & decision makers** should encourage community members to review and consider the *Sustainable Decision* framework when preparing to engage in a decision-making process. This provides the public with helpful insights for effective participation.

- **Community members** are encouraged to consider their position or request through the lenses of the *Sustainable Decision* framework and prepare verbal and written testimony from this perspective. This helps community members understand the scope used by decision makers and helps them articulate their idea using common terms with staff, decision makers and other community members.

Determine the Level of Engagement

The level of engagement establishes the role of the public in the decision or outcome and ensures that City staff, public officials, and the community have a common understanding of the public's ability to influence the outcome.

Using the Spectrum of Public Participation

The *Spectrum of Public Participation* serves as the primary tool for identifying the appropriate level of engagement. This spectrum is not meant to entail to more engagement (or the further right on the spectrum), the better.

In truth, the best amount of engagement you can use is by selecting the **appropriate level** on a case-to-case basis. In order to determine what level on engagement to be used, staff will be utilizing the Public Participation Expectations Worksheet (in the appendix).

Remember: "If input from the public cannot influence the decision or will not be used by the decision-makers, it is not appropriate to implement public participation activities. It is more appropriate to disseminate information."

- International Association for Public Participation (IAP2)

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understandiung the problem, alternatives, opportunities, and solutions.	To obtain public feedback on analysis, alternatives, or decisions.	To work with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision, including development of alternatives and finding consensus for the preferred solution.	To place final decision-making in the hands of the public.
Promise to the Public	We will keep you informed about the project's scope and timeline, as well as key facts and resources that will be used for future decisions.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in finding solutions, and will incorporate your advice and input into the decisions to the maximum extent possible.	We will delegate decision-making and implement what you decide.

Promise only what you can deliver!!

**Adapted from International Association for Public Participation (IAP2)*

Determine the Decision Process

Public Participation is a Process – Not an Event

Public participation must follow a logical and transparent process that allows the public to understand how and why the decision was made. The best way to achieve this is to integrate public participation into the decision process itself. The public, like the decision-maker, must gain an increasing understanding of the decision as information, assumptions, and choices are made.

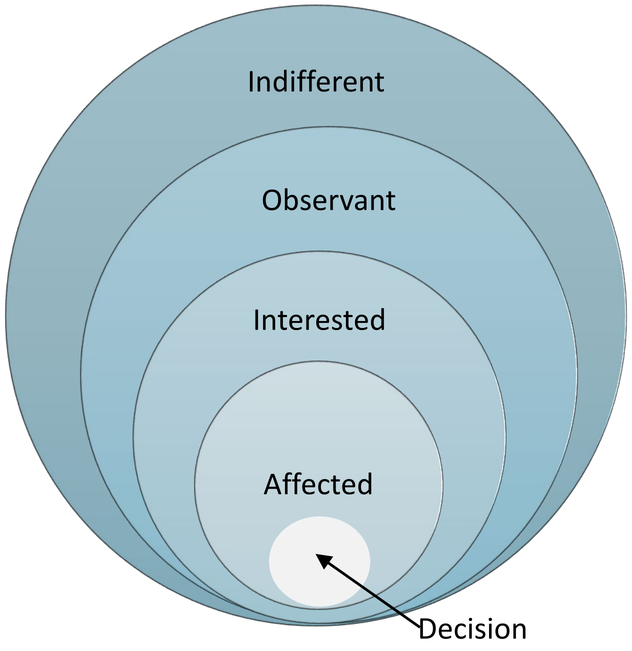
It is standard across the outdated public process that the public only becomes involved around the “Evaluate Alternatives” stage. This can degrade the public process and the usefulness of insight the public provides. Public engagement is not a single community meeting, it is a process from start to finish. This does not entail you hold a community meeting for every step of the decision process, but you must plan on what level of engagement you will use during each step.

Identify Stakeholders

Stakeholder refers to anyone who has a stake or interest in a project. While the general public is considered stakeholders in a broad sense of the term, this section focuses on identifying the distinct set of people, businesses, and organizations that need to be strategically engaged.

Orbits of Participation

The extent to which an individual or group perceives their distance from the impact of a decision or tangible outcome often determines their willingness to engage. Some people will be extremely engaged, others will comment occasionally from afar, and some will simply wish to be informed. The *Orbits of Participation* model helps to visualize the various levels of interest and motivation to participate. People often move between orbits during the project's lifecycle as their interests, awareness, and priorities change. When identifying stakeholders, it is important to take into account and plan for all levels of interest.



**Adapted from Lorenz Aggens*

Underrepresented Groups

Our community is committed to comprehensive involvement and extra attention is needed to ensure equal consideration and access for underrepresented groups. Consider stakeholders through the following lenses:

- People with disabilities
- Young people
- Older people
- People with young children
- Non-English speaking people
- Low income people
- People from different cultures
- Race
- Ethnicity
- Visitors

Return to this list when identifying barriers to participation, selecting techniques, and evaluating the effectiveness of completed outreach activities.

Internal Stakeholders

Think *outside* your department when identifying stakeholders. Numerous interdependencies exist between City departments as well as other government agencies. Consider sending an email with the project basics to other departments. Ask City staff if they have a stake in the project topic or project area – you may be surprised how work in each department intersects with eachother.

Generate an Initial List of Stakeholders

Stakeholder lists will be different for every project. Review each of the decisions or tangible outcomes that will occur during the project. Ask the following questions to identify an initial list of stakeholders.

Who will be impacted positively or negatively?	• Who lives, works, and plays in the project area? • Whose life or schedule stands to be altered by an aspect of this project? • Are there any potential *unintended* outcomes that may impact the public?
Who *needs* to know about this?	• Is there a legal requirement? • Which individuals or groups are most directly impacted by the project?
Who *will* be interested in this project?	• Consider interests, issues, and impacts.
Who *should* be interested in this project?	• Which individuals or groups are unlikely to recognize they are impacted? • Which individuals or groups may assume they cannot influence the project? *See Underrepresented Groups*
Who can contribute to this conversation?	• Where are the outside sources that discuss this same topic or a similar topic? • What other departments have done a similar project or can offer insights into stakeholders in the project area? *See Internal Stakeholders*
Who could stop this project?	• Is there anyone who will dislike this project? • Is there anyone that will be impacted to an extreme extent?

Interests | Issues | Impacts

Review each of the identified stakeholders and document the top 1 -3 topics that are likely to motivate their participation. Understanding the project stakeholders' potential interests, issues, and impacts helps us to select techniques, prepare informational materials, and think beyond our usual audience.

Common interests, issues, and impacts include:

- Employment or lost productivity
- Financial security
- Property values or property rights
- Quality of life
- Local economic vitality
- Look and feel *(often referred to as "character")*
- Personal health and safety
- Recreational amenities and access
- Environmental resources
- Noise or odors
- Traffic or parking
- Mobility
- Growth
- Cultural, racial or gender identity
- Community or religious culture
- Education
- Housing and access

📌 Remember to consider each interest, issue, and impact from both sides.

For example, a new trail may positively affect the community as a whole, but negatively affect the neighbors who live in the immediate areas.

Test the Stakeholder List

Ask the following question for each interest, issue, and impact identified to ensure all stakeholders are captured in the list.

Which other individuals or groups have a stake in ______?

📌 Refer to the underrepresented groups and internal stakeholders addressed on page 12.

Identify Contacts

Identify the people or groups that can help you reach and connect with stakeholders. Some good places to start are:

- Schools
- Parent Groups
- Neighborhood Associations
- Homeowners Associations
- Church or Religious Groups
- Professional Organizations
- Advocacy Groups
- Non-Profit Organizations
- Cultural Groups
- Student Groups

📌 Think together! Ask your coworkers across the organization for insights into how to reach the identified stakeholders. For example, the Chamber of Commerce staff may be affiliated with business organizations who can help to reach stakeholders through employment affiliations. The Planning staff may have connections to neighborhood groups, housing advocates, and developers. The School District staff may have ideas for reaching families, youth, and cultural groups.

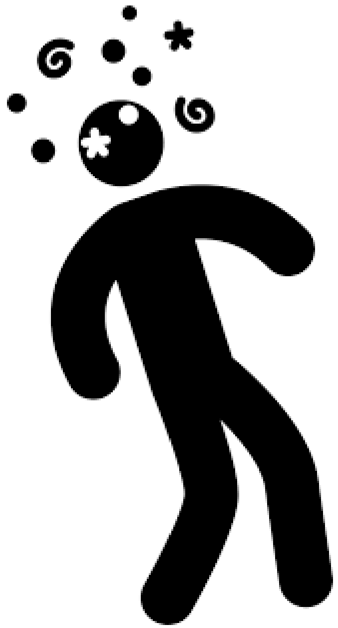
Assess Barriers to Participation

Evaluate each stakeholder group, assess potential barriers to participation and plan for how these barriers can be mitigated or prevented. Barriers can include:

- Language
- Childcare
- Accessibility
- Work schedules
- Education
- Non-traditional holidays
- Cultural appropriateness of locations
- Formality of locations
- Distrust of government

Avoid Stakeholder Fatigue

Stakeholder fatigue occurs when an individual or an organization receives multiple notifications or invitations from different City departments in a short period of time. For example, if three different projects are seeking to include the senior population, it is important the departments coordinate efforts to avoid fatigue.



📌 Keep an eye on the City Calendar to learn what other city events are planned and to seek opportunities to involve stakeholders through meetings, notifications, and events that they are already connected to.

Select Engagement Techniques

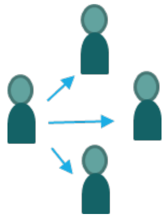
Different techniques are employed throughout a project and are selected based on the appropriate level of engagement – from "inform" to "empower" – as well as who the project seeks to engage, what resources are available, and the project timeline and budget.

Be Brave

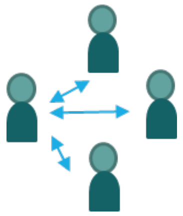
You are encouraged to be courageous and to think creatively and thoughtfully when selecting the best tools and techniques. Consider alternative methods when selecting techniques and avoid over-used methods when possible. Try new things. Partner with other departments and organizations. Be brave.

Types of Techniques

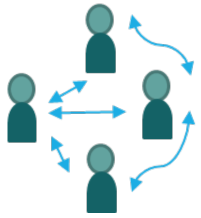
The techniques outlined in the appendix offer a variety of different approaches to public involvement and community engagement. The techniques are categorized based on the direction communication flows and include:



Share Information



Collect & Compile Input



Bring People Together

How to Select Techniques

Select techniques based on the following:

- ✓ **Level of Engagement** (e.g. Inform, Consult, Involve, Collaborate, and Empower) – Techniques *must* align with the actual influence the public can have on a specific decision or outcome. For example, if a set of alternatives has been developed and the public is being asked for their preference between them, techniques would reflect a "Consult" level of engagement. If the public is being asked to help identify possible alternatives, techniques would reflect an "Involve" level of engagement.
- ✓ **Engagement Objective –** Be clear regarding the engagement objective. Select techniques that will result in input that can actually be used and applied. The engagement objective will evolve as the project progresses.
- ✓ **Stakeholders** – Evaluate who the stakeholders are, the interest, impacts and issues that will draw them to participate, and the potential barriers that may apply.
- ✓ **Budget, Staff Resources & Schedule** – Consider the staff and budget available for engagement and determine which techniques can be accomplished with the available resources. Review the project schedule to ensure it includes enough time to notify, conduct, and analyze the results of techniques.
- ✓ **Recommendations -** Techniques can be adjusted to fit each situation, but recommended techniques are proposed when the level of engagement is selected on the Public Participation Expectations Worksheet (in the appendix)

Test the Selected Techniques

The selection of meeting venues, available equipment and facilities, and content and format of information can impact the effectiveness of the selected techniques. Consider the following:

- Are the techniques aligned to the public’s ability to influence the outcome?
- Is there an opportunity to join existing meetings or events rather than create a new event?
- Would people from different cultures feel welcome at this event?
- Do the materials and presentation consider those with limited technology or literacy skills?
- Is the event location ADA compliant?
- Is the event location easy to access for stakeholder groups?
- Are activities held at times that accommodate people with different work schedules?
- Would it be appropriate for children to accompany a parent to the event?
- Are underrepresented groups likely to participate in these activities? Could a modification to techniques increase participation?

Be Brave. → Be Creative. → Seek Partners.

Techniques & Public Trust

Our commitment is to select the *appropriate* level of engagement based on our ability to meet the goal and promise associated with the level of engagement. Techniques *must* align to the level of influence the public is able to have on a specific outcome. Selecting techniques that suggest a higher level of influence than the community is able to have can result in the sense that their input was disregarded. Selecting techniques that suggest a lower level of influence than the community is able to have may result in a belief that decisions are being made in advance or behind closed doors. In both cases, the misalignment of expectations can raise community concerns related to trust and transparency.

Return to the *Spectrum of Public Participation* on page 10 to review the goal and promise associated with each level of engagement.

Implement, Assess, & Adapt

This section provides tips and ideas for implementing, assessing and adapting engagement strategies during a project.

Implement

Anticipate what decision makers and the community may want to know about the logistics of an engagement process. Decide where to keep all of the public input. Determine how input will be documented and what information will likely need to be summarized. Remember to include measures. Measures can include:

- **Informal feedback – make a point to talk to stakeholders to ask how they perceive the process and its outcomes.**
- Website activity – hits, downloads, and comments submitted
- Emails and phone calls received
- Attendance at public meetings and workshops
- Presentations for community organizations
- Survey participation

Assess & Adapt

Regularly assess the effectiveness of engagement efforts and adapt as needed. This may require changes such as pushing back decision dates, creating additional education materials in response to confusion or language barriers, needing additional time with a community group to discuss a topic, or adding a targeted technique to engage stakeholders that are not responding to other activities.

Questions to help assess and adapt include:

- Does the public understand what decision or outcome is involved?
- Does the public understand the possible impacts?
- Does the public understand the level of influence they have on the decision or outcome?
- Are the benefits of participation clear to the public?
- Are any stakeholders underrepresented? If so, should targeted techniques be planned? Are there any barriers that can be removed? Are there any relationships that could help engage with difficult to reach populations?
- Would changes to the notification, format, location, or meeting materials be helpful?

Be flexible. Regularly assess whether engagement efforts are reaching your stakeholders, consider other techniques, and reach out to other departments and organizations for ideas.

Ask for feedback from the public and your internal stakeholders on how the process is going.

Debrief with staff about how the engagement techniques worked and could be improved for future projects. Share what you learn with the Sounding Board.

Follow Through

When the community makes time to give their input, it is important to acknowledge participation, share input with decision makers and communicate back to participants how public input affected the outcome.

Summarize & Analyze

Summarize the engagement efforts. Compile the input collected and analyze the results. Evaluate trends observed in the public's opinions, thoughts, and ideas. Assess if trends vary by stakeholder groups. Document if any stakeholders are underrepresented in the results to alert decision makers. When possible, summarize public input with the *Sustainable Decisions* framework in mind.

Explain the Rationale

Be prepared to explain the rationale for an outcome and why one alternative was chosen over others. Use the decision criteria identified in the *Project Basics* portion of the engagement plan as the basis for explaining how public input was considered. Encourage decision makers to clearly articulate the rationale for their decisions in light of all the of the facts, including public input.

Communicate the Outcome

Whenever possible, share the results of engagement efforts and the final outcome with participants using the same tools originally used to interact with them. Provide the public with the rationale for the decision in light of all relevant facts and opinions. Point participants toward additional resources if they would like to learn more. Thank the participants for being involved.

Appendix

- Techniques Toolbox
- Public Engagement Plan Worksheet

Share Information *Techniques for sharing information are generally part of an awareness campaign or part of an information, notification, or education program. They may also be used to report public input received.*

TECHNIQUE	CONSIDER	WHY IT WORKS	POTENTIAL ISSUES
BRIEFINGS			
Presentations to organized groups to increase awareness, share information, answer questions and generate participation Use existing meetings of social groups, clubs, and organizations	Offer to provide a presentation Include visual aids, props, and opportunities for interaction Excellent tool for the “go-to-them” approach	Control of information Reaches wide variety of individuals who may not have been attracted to another format Opportunity to expand mailing lists Builds relationships	Can get mixed groups of stakeholders, prepare to address multiple interest areas and concerns Meetings may have tight agendas and time maybe limited
CENTRAL INFORMATION CONTACTS			
A designated person(s) who serves as a single POC for inquiries about the decision process and the project.	Can be used for any size project. Best to combine this approach with other techniques.	Provides reliable access for stakeholders.	Bandwidth issues Most frequently a paid position.
SOCIAL MEDIA, & INTERNET TOOLS			
Use of electronic mailing lists, social media platforms, and websites can provide access to an array of information formats such as video, photos, and links to more resources.	Online resources are useful but should be supplemented by hard copy versions	Easily accessible for most people including underrepresented groups. Inexpensive or free way to directly reach stakeholders	Stakeholder fatigue can occur and not all projects warrant groups, emails, or social media posts Your message competes for attention with other engaging content on digital channels
INFORMATION KIOSKS			
A station where project information is available. Used in high traffic areas – can be digital, or not.	Best used for projects that have a location.	Easily accessible. Can grab the attention of anybody who walks by. Good for when the general public is highly interested in the project.	Can be expensive. You need the space to do it. Must regularly update the content.

Collect & Compile Input

Techniques for collecting and compiling input vary in who is providing input. For some techniques, respondents self-select, while for other techniques, a representative sample is polled or a selected group is contacted.

TECHNIQUE	CONSIDER	WHY IT WORKS	POTENTIAL ISSUES
SURVEYS, POLLS, & QUESTIONNAIRES			
Questions created to gather a sampling of opinion for targeted feedback	Most of the time, what we think of as a 'survey' is actually a questionnaire. If you need statically valid results, a consultant is recommended Take great care in formulating the questions – have several people review them to ensure they are clear, won't be misinterpreted, and will gather useful information Suitable for gathering general sentiments and attitudes	Provides input from individuals who would be unlikely to attend meetings Gathers input from cross-section of the public Online surveys yield a higher response rate than mail-in or telephone surveys Easily shared and can be very engaging	Statistically valid surveys are expensive and time consuming Avoid survey fatigue. Be sure to thoroughly consider if you need a survey, what is the purpose of the questions, and how the results will be used
COMMENT FORMS			
A form given to people to complete and return. Forms can be completed in-person or online.	Add to information sharing activities Consider experiential and content objectives; design the form to engage people in the effort, not just to answer specific project inquiries Able to gather demographic information	Provides less vocal participants a means to share their views Able to collect input at a forum focused primarily on providing information Able to collect input regarding specific aspects of a project	Results are not representatives of a larger population Comment forms alone do not provide enough input to characterize public opinion
INTERVIEWS			
One-to-one meetings with stakeholders	Conduct in-person when possible, particularly useful when considering candidates for committees Plan your questions well	Provide in-depth and personalized information in a non-threatening environment Builds deeper relationships and gives interviewees a sense of empowerment	Can be time consuming and difficult to schedule multiple interviews Extra efforts needed to accurately record conversations and thoughts

Bring People Together

Techniques for bringing people together fall into four categories – open public forums, specialized processes, representative participation, and advisory groups. Consider the project's engagement goal and promise when choosing from these techniques.

TECHNIQUE	CONSIDER	WHY IT WORKS	POTENTIAL ISSUES
CHARETTES			
Intensive session where participants design project features	Best used to foster creative ideas Be clear about how results will be used	Promotes co-creation and problem solving Opportunity for innovation and pilot projects	Participants may not be seen as representative by larger public — don't assume their opinion is representative of an entire group Must be ran by a trained professional.
WORLD CAFE			
Break the room out into groups and have simultaneous rounds of conversation about questions that matter. Appear informal but are highly useful and structured.	The room should feel conducive to conversation. A facilitator should be present at each table to maximize engagement.	Foster meaningful discussion among participants who otherwise would not listen. To bring areas of commonality out into the open. It counteracts group mentalities and grandstanding.	Requires a lot of coordination Shy people may not want to interact with people they don't know. Moving around may be hard for a person with a disability.
KITCHEN TABLE MEETINGS			
Small meetings within a neighborhood usually at someone's home or welcoming communal space	Be sure to be polite, appreciative, and supportive	Relaxed setting is conducive to open dialogue Maximizes two-way communication	Often need existing relationships and trust to organize
ONLINE MEETINGS			
Any sized meeting conducted using an online platform such as Zoom	Understand your audience, particularly the demographic categories Design the inquires to provide useful results Use facilitator trained in the technology	Immediate graphic results prompt focused discussion Areas of agreement/disagreement easily portrayed. Responses are private	Software limits design Potential for placing too much emphasis on numbers Technology challenges Barriers for some under represented groups may exist

TECHNIQUE	CONSIDER	WHY IT WORKS	POTENTIAL ISSUES
OPEN HOUSES			
Informal meetings with multiple displays where participants rotate through stations and discuss specific topics with project staff.	Combining this method with card storming (see below) Have minimal seating. Identify which topics should be covered by each station.	It improves public understanding of a project. It is more interactive than a standard public meeting. If a good method of tracking comments is used, it is a great way to solicit feedback.	It is less engaging than other techniques. A good method of tracking comments is required.
Electronic Assisted Live Polling			
Use electronic polling to promote group interaction and standardize feedback.	Works best if a large number of people are in attendance to a meeting because everyone's voice is equal. Consider using software like PollEv.	Large numbers of people can participate at once. You can ask for various comments like pros & cons, values, etc. Encourages minority voices.	Software limits the design. Potential for too much emphasis on numbers. Individuals may have difficulty using technology.
FOCUS GROUPS			
A small facilitated discussion used to gauge public opinion	Make sure to explain to participants how you'll use the results of the focus group Involves carefully selected group of individuals	Provides traceable data Reaches broad, representative public Can be designed to include deliberate cross sections or subgroups	Planning can be complicated Results cannot be generalized
CARD STORMING			
A process to gather input from large numbers of people in a way that helps to identify many of the ideas and issues about a topic and then organizes these into natural groupings.	Pairing this with an open house (see above) Grouping the "cards together" as a work group – do not let the facilitator move cards. Having a set amount of cards.	It builds ownership Helps identify all perspectives and ensures that one individual does not dominate the process.	Planning can be complicated. You must ask good questions. Does not work well for controversial issues – no venting.

Technique Toolbox *adapted from IAP2*

TECHNIQUE	CONSIDER	WHY IT WORKS	POTENTIAL ISSUES
ADVISORY GROUPS			
Selected small groups that meet over a period of time to achieve specific objectives. Advisory Groups do not replace broader public involvement.	Be specific about what advice they give. Charter them properly. Do not use Roberts Rules unless required by law. Helpful when all decisions will result in criticism.	Diverse perspectives are encouraged. Feedback is continually given over time. Builds a sense of partnership in the community. It helps form relationships among opposing groups.	Requires a lot of dedication and time. The effectiveness of an Advisory Group is often defined in terms of how useful its advice is to the decision-maker. If advisory groups become too operational-focused, they lose their usefulness.
FIELD TRIPS			
Provide tours for key stakeholders, elected officials, advisory groups, and the media	Know the number of participants to accommodate and plan Include refreshments and transportation options when possible Can be self-guided with additional tools such as recording or maps Always consider safety precautions and insurance requirements	Often seen as a special treat or "reward" for extra involvement Opportunity to provide rapport and a feeling of being an "insider" Reduces outrage and misinformation by making choices more familiar	Number of participants can be limiting logistically Potentially attractive to protestors Transportation and liability come into play
WORKSHOPS			
Public forums where participants work in small groups on defined assignments.	Focus the groups on specific issues or discreet tasks. Pairing this method with an introductory presentation. Provide graphic tools like maps, matrices, diagrams, etc. to help small groups work on the tasks.	Helps the public learn by discovery and exchange. Focuses participants on providing input that can feed directly into the decision-making process.	Often requires a lot of support material. Can only be used for specific issues, not broad pictures. Cannot be overly technical.

Adapted from the IAP2 Techniques for Effective Public Participation

Project Title:

Public Engagement Plan

Step 1: Document the Basics

Background:

Who Makes the Decision:

What is the Final Outcome:

What are the Decision Criteria ? (think economically viable, technically feasible, environmentally compatible, and community benefit)

Step 1: Document the Basics

Create a High-Level Project Timeline

Step 2: Select a Level of Engagement

To determine the level of engagement for the project, you must use the Public Participation Expectations Excel File - bit.ly/MSP2Expectations

What level of public participation was discussed originally?

Internal Expectations Average Score:

Public Expectations Average Score:

What level would you recommend:

What is the highest level of engagement this project will be using (circle one)?

Inform (1) Consult (2) Involve (3) Collaborate (4) Empower (5)

Step 2: Select a Level of Engagement

Develop an objective for each step in the decision-making process: (please select what level of engagement you are looking for during each level of the spectrum)

Level of the Spectrum	Define the problem / opportunity	Gather information	Establish Decision Criteria	Develop Alternatives	Evaluate Alternatives	Make Decision
Inform						
Consult						
Involve						
Collaborate						
Empower						

Step 3: Identify the Stakeholders

Stakeholder Group	Interest	Contacts (if any)	Potential Barriers

Step 4: Select Engagement Techniques

What techniques will you use to inform, consult, involve, collaborate, and/or empower the public? *(the Public Participation Expectations Excel Sheet provides techniques to consider for each level of engagement). For questions on any types of techniques, please reach out to the Public Information Officer.*

Step 5 (Post-Process): Evaluate

Did we get value from the public process?

Did we accomplish our goals/objectives?

Was the decision influenced from the public process?

How satisfied was the public with the public process? Did the process meet their expectations?

What lessons learned were there?

Anything Else?

CITY OF MANITOU SPRINGS: 2026 FINANCIAL OUTLOOK AND COMMUNITY ENGAGEMENT

Planning finances and fostering community involvement in 2026

CURRENT FINANCIAL POSITION

Reserve Funds Strategy

City Council set aside reserves to cushion against sales tax revenue declines and economic volatility.

Balancing Short and Long Term

Financial planning aims to balance immediate needs with long-term sustainability and capital project funding.

Importance of Reserves

Reserves safeguard against revenue fluctuations and help maintain service levels without drastic cuts.

2026 BUDGET OVERVIEW

Budget Approval and Review

The 2026 budget was approved after deliberation

Fire Mitigation Funding

Reallocation of funds to fire mitigation ensures critical safety initiatives remain supported despite budget constraints - $690,000 – Fire presenting in February.

FUND BALANCE UPDATE

YEAR	PROJECTED FUND BALANCE
2024 (Audit)	$8,493,390
2025 (Projected)	$6,872,571
2026 (Projected)	$4,428,872

BEST PRACTICES AND FINANCIAL STRATEGIES

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) BEST PRACTICE

Fund Balance Recommendation

GFOA advises maintaining a fund balance equal to two months of operating expenses plus debt service to ensure financial stability.

Importance of Higher Reserves

Higher reserves provide a buffer against tourism revenue volatility and economic downturns, supporting essential services continuity.

Future Financial Planning

Future strategies should focus on preserving and rebuilding reserves while balancing operations and capital investments.

REDUCTIONS, OFFSETS, AND NEW SAVINGS

CATEGORY	AMOUNT
Budget Reductions (2026 vs 2025)	$700,000
Property/Casualty Insurance Increase	+60%
Medical Insurance Savings	$100,000

COMMUNITY ENGAGEMENT RECOMMENDATION

PUBLIC ENGAGEMENT TO INFORM BUDGET DECISIONS

Community Engagement Importance

Engaging the community identifies shared priorities and aligns budget decisions with public values and needs.

Streamlined Engagement Process

Using targeted workshops and surveys can gather valuable input efficiently without a full RFP process.

Transparency and Trust

Public engagement fosters transparency, builds trust, and enhances legitimacy of budgetary decisions.

Strategic Resource Allocation

Community input strengthens planning and ensures resources support operational efficiency and satisfaction.

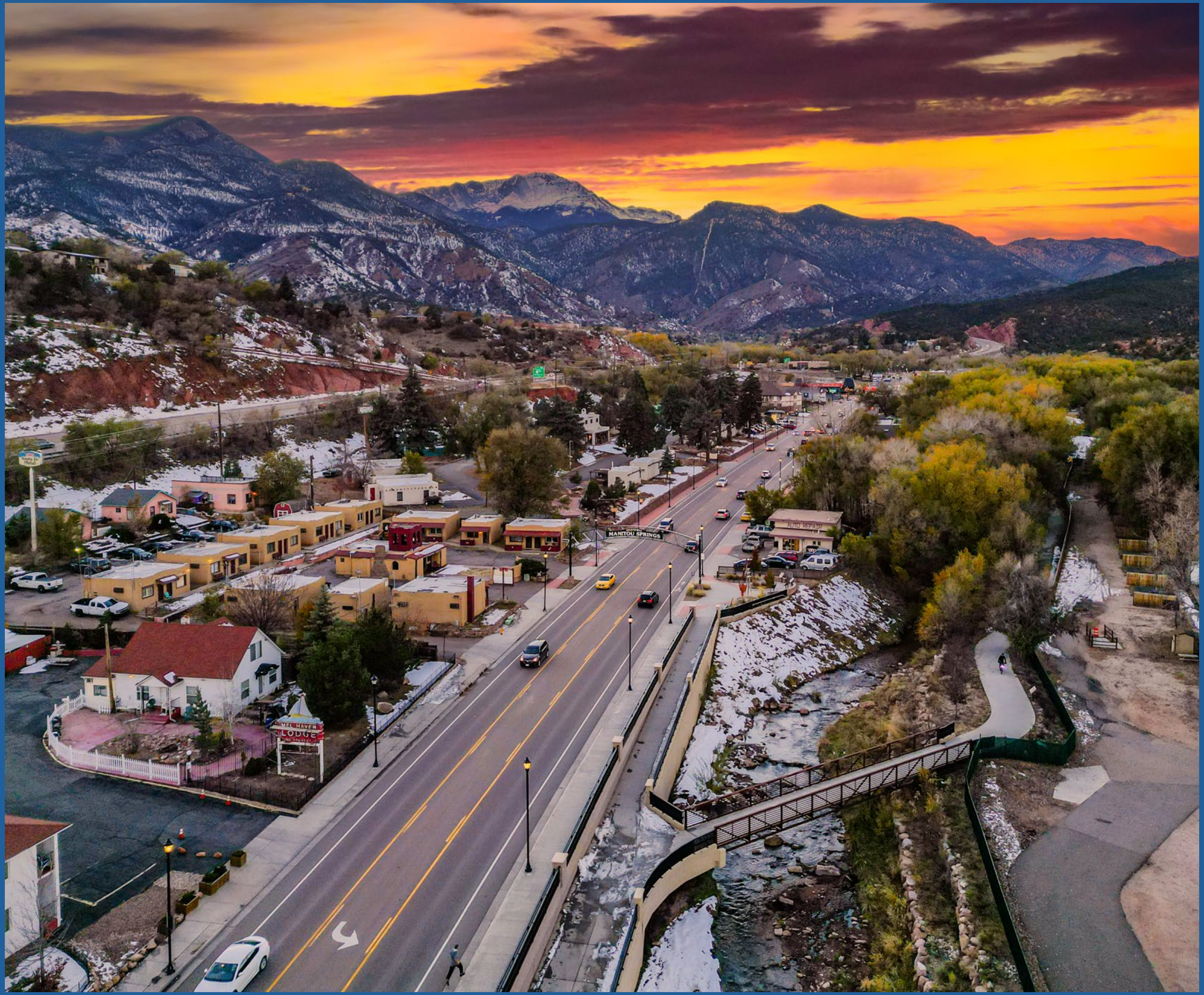
PROPOSED TIMELINE AND COST

PHASE	TIMELINE
Solicit Proposals	February
Workshops & Survey	March–May
Present Findings	June
Estimated Cost	$25,000 or less

SUSAN WATKINS

DONE THIS WORK FOR 30 PLUS YEARS

NOT LOOKING FOR A JOB



DIRECTION REQUESTED FROM COUNCIL

Authorization for Engagement

Council needs to decide on authorizing staff to start the community engagement process for informed decision-making.

Community Priorities Insight

Engagement will gather actionable insights aligning budget decisions with public priorities responsibly.

Timely Implementation

A clear decision enables prompt proposal solicitation and integration of findings into the budget cycle.

Need Challenge Statement from City Council

Memorandum

Title: 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

From: Frederick Rollenhagen, Planning Director

To: Mayor and City Council

CC: City Administrator Denise Howell

Allocated Time: 30 Minutes

January 20, 2026

Purpose:

The purpose of this Ordinance is to identify a method in the Municipal Code for the City to consider and continue to allow encroachments onto City right-of-way or city property that are inadvertent and/or have existed for a long duration. The proposed definition of an "existing inadvertent encroachment" is; an encroachment into public property that exists due to an inadvertent and unintentional act of the current or prior property owner. In the current draft, all inadvertent existing encroachments would be heard and decided by City Council.

Background:

Over the years, City staff has, on rare occasion, received requests from property owners to grant permission for an existing encroachment to continue to exist. In many scenarios, these encroachments consist of landscaping, but also could include small improvements, or portions of structures that were inadvertently constructed on city property. In many cases, these encroachments have existed for decades, especially prior to more modern survey and engineering requirements that currently help avoid such encroachments in development scenarios today. For the most part, these types of encroachments are usually harmless or do not pose a threat to life or safety. Most of the time when permission is requested, it is because a property is being sold or transferred and a mortgage company or title company has identified the unknown encroachment and has required its resolution prior to property transfer to assure ownership is clean. This usually means the property owner must obtain an easement or encroachment agreement from the city that formally and legally permits the encroachment. All encroachment requests undergo an internal review to ensure they do not create public safety concerns or that there will not be a future need for the property.

Fiscal Impact:

The amendment as drafted contains a compensation section (12.04.808(E)) that would allow the City to require compensation for the encroachment and charge fees for the application. This would allow the City to recoup any costs it incurs on considering the request, as well as compensation for the use of the city land/right-of-way itself.

Workload Impact:

Staff does not anticipate significant additional workload from the adoption of this Ordinance. Staff receives no more than 1 or 2 requests per year. It is common for municipalities to have a mechanism to consider and approve inadvertent encroachments. Generally, older cities and those with older neighborhoods will have a higher chance of encountering inadvertent encroachments due to the nature of developing land prior to more stringent survey and engineering requirements for development. This mechanism would also be helpful to address and resolve newly-uncovered encroachments during a proposed redevelopment or improvement of property that is making a larger redevelopment application.

Recommended Action:

Move 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, and set a public hearing for February 3, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard.

Chapter 12.04 WORK AND ENCROACHMENT ON CITY PROPERTY[1]

Sections:

12.04.010 Purpose.

This chapter provides procedures and regulations for the placement of structures and infrastructure, construction, excavation, encroachments, and work activities within or upon any public right-of-way or other city property, and is intended to protect the integrity of city property. To achieve these purposes, it is necessary to require permits for temporary or continuing uses of the public rights-of-way and to establish permit procedures.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.020 Definitions.

[For purposes of this chapter, the following terms shall have the following meanings:]

"Existing Inadvertent Enroachment" means an encroachment into public property that exists due to an inadvertent and unintentional act of the current or prior property owner.

"Minor encroachment" means an encroachment which does not impede vehicle or pedestrian traffic, effect the rights of the city or other third parties in the encroachment area. "Minor encroachments" are not required to be permanent in nature.

"Major encroachment" means any encroachment or work which is not a minor or temporary encroachment.

"Mobile vending" means peddling, vending, selling, serving, displaying, offering for sale or giving away services, goods, wares, merchandise, food, or beverages from a location without a fixed structure. "Mobile vending" includes, without limitation, offering services and goods from a mobile vending unit, a mobile food cart, tables, mats, or blankets.

"Public property" means any and all property, right-of-way or other real or personal property owned or controlled by a public entity, including the surface, underground and the airspace above such property.

"Right-of-way" means any public street, way, place, alley, sidewalk, utility easement, owned or controlled by the city, including the surface, underground and the airspace above such property.

"Temporary encroachment" an encroachment which is a minor encroachment and is not intended to remain in the public right-of-way or on public property for a period of longer than ninety days, except as provided for in this chapter.

"Work" means any labor performed on, or any use or storage of equipment or materials, including, but not limited to, construction of streets and all related appurtenances, fixtures, improvements, sidewalks, driveway openings, bus shelters, bus loading pads, street lights, and traffic signal devices. It shall also mean construction, maintenance, and repair of all underground structures such as pipes, conduit, ducts, tunnels, manholes, vaults,

[1]Editor's note(s)—Ord. No. 3917, § 1, adopted Nov. 21, 2017, repealed the former Ch. 12.04, §§ 12.04.010—12.04.080, and enacted a new Ch. 12.04 as set out herein. The former Ch. 12.04 pertained to alteration of streets and other rights-of-way and derived from Ord. 8, Series 1946, §§ 1—3; Ord. 8, Series 1948, §§ 4—7; Ord. 0977, § 3(part), adopted 1997; and Ord. 4702, § 1, adopted 2002.

buried cable, wire, or any other similar structure located below surface, and installation of overhead poles and wires or conductors, used for any purpose.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.030 Police powers.

The permittee's rights hereunder are subject to the police powers of the city, which include the power to adopt and enforce ordinances, including amendments to this section, necessary to the safety, health, and welfare of the public. The permittee shall comply with all applicable laws and ordinances enacted, or hereafter enacted, by the city or any other legally constituted government unit having lawful jurisdiction over the subject matter hereof. The city reserves the right to exercise its police powers, notwithstanding anything in this section, any permit issued hereunder, any franchise, or any other permit to the contrary. Any conflict between the provisions of this chapter, any franchise or any permit and any other present or future lawful exercise of the city's police powers shall be resolved in favor of the latter.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.040 Temporary encroachments—Permit required.

A. Temporary encroachments may be placed on public streets or on public sidewalks. Placement that obstructs a public sidewalk shall require submission of plans for the provision of safe pedestrian movements. In no instance shall placement of a temporary encroachment cause the public street to become impassable for emergency or other vehicles. Sandwich board signs, as provided for in Chapter 15.16 of this code, shall not be considered temporary encroachments for purposes of this chapter.

B. A permit for a temporary encroachment may be issued following submission and review of an application and payment of the fee as indicated in the following section to the city. The city may approve, conditionally approve, or deny an application for use of the public streets or sidewalks based on the recommendations and input from the police department, fire department, and streets department and consideration of the proposed location and time of year. In determining whether to grant a permit and the duration of a permit, consideration shall be given to pedestrian and vehicular sightlines, safety and movement, the impact on parking availability, and the impact on the neighboring properties, including visual impacts.

C. An application for a permit shall be accompanied by a permit fee as established in the schedule of fees adopted by resolution of the city council.

D. A permit for a temporary encroachment may be revoked by the city for any violation of this section.

E. Special regulations for roll-off dumpsters and similar objects.

    1. Roll-off dumpster, storage pods or other similar objects may be permitted within the public right-of-way under this section only for as long as they are in active use in connection with construction, remodeling, or any other project.

    2. Notwithstanding any other provision in this chapter, the maximum duration of a permit under this subsection D shall be ninety days; unless an extended permit period is warranted upon demonstration of need due to the nature of the project (such as a large project that reasonably requires the placement of a storage pod for more than ninety days or unforeseen delays not the fault of the permit holder that require an extension of the initial permit expiration date). In no instance shall placement of a roll-off dumpster, storage pod, or other large immoveable object under such a permit be used as a substitute for long-term or on-site trash or materials storage or disposal arrangements.

F. Permits for temporary encroachments shall be approved by the city administrator or the city administrator's designee.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.050 Minor encroachments—License agreement required.

A. No person shall construct any minor encroachment, such as fences, private landscaping, or mailbox pillars, or place any object in the public right-of-way or public property without first obtaining a revocable license or easement agreement approved by the city. This section shall not include trash receptacles that are placed adjacent to the traveled lanes for removal on the scheduled date of pick-up.

B. A fee for processing the revocable license agreement shall be set by city council resolution from time to time. The revocable license agreement granted by the city is revocable at will by the city.

C. Application.

1. An application for a minor encroachment shall be made on a form provided by the city. Upon submission of a complete application, the city shall forward copies of the applications to all appropriate departments for review and comment. The application shall be accompanied by any applicable fee.

2. Upon approval by appropriate departments, the city shall prepare either a ~~revocable~~ license agreement or an easement agreement~~to be signed first by the applicant and final signature by the city administrator~~ depending upon the nature of the minor encroachment, the request of the applicant, and the requirements of the city. Whether to require a license agreement or an easement and the form of those documents shall be at the sole discretion of the city. ~~.~~Minor encroachments in the public rights-of-way or public property shall be approved by the city administrator or the city administrator's designee; provided that if an easement is required for a minor encroachment, City Council approval of the easement shall be required.

D. Standards for Approval. A revocable license agreement may be issued if the application meets the following criteria:

1. The proposed encroachment does not create an obstruction to vehicle, bicycle or pedestrian traffic in any way unless otherwise permitted in this section;

2. The proposed encroachment does not infringe upon any easement rights held by the city, other public agencies or utilities;

3. The proposed encroachment does not obstruct the vision clearance triangle;

4. The proposed encroachment does not create or contribute to a safety hazard; and

5. The proposed encroachment meets all standards and requirements of the city for location and improvements.

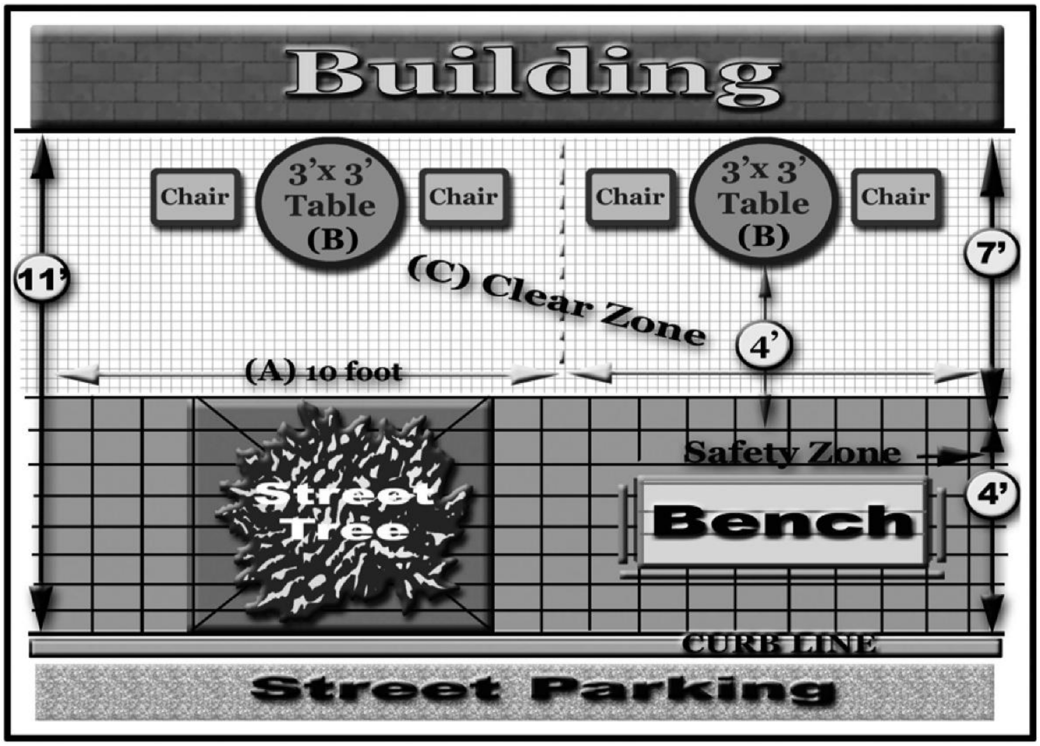
E. Special regulations for outdoor displays, outdoor seating and mobile vending.

1. Each business may have one outdoor display not to exceed a fifteen square foot footprint or one outdoor seating area consistent with rules found within this section.

2. Placement of outdoor displays or seating on public property must provide a minimum four feet in which there will be no obstructions, known as the pedestrian clear zone. Within the downtown and commercial districts, no more than one foot of the pedestrian clear zone may be within the curbside paver brick amenity zone.

3. Outdoor displays, benches and seating may not be permanently affixed to the public sidewalk.

4. For outdoor seating, no more than one table or bench for every ten feet of linear frontage is permitted. Tables may not exceed three feet by three feet in size. Tables, chairs, benches and umbrellas must be placed along the front of the business so that a minimum pedestrian clear zone is maintained. No more than one foot of the four-foot clear zone may be within the paver brick safety zone. No tables or chairs are permitted within the paver brick safety zone, as shown below:



5. Consumption of alcohol is prohibited within the public right-of-way, including an approved outdoor seating area.
6. The business owner is responsible for the cleanliness and maintenance of the outdoor display area.
7. Between November 1 and April 1, all outdoor tables, displays, benches and seating must be removed from the public right-of-way between the hours of 8:00 p.m. to 8:00 a.m. to allow for snow and ice removal.
8. Approval for outdoor displays and seating shall be obtained in conjunction with the business' annual business license. Applicants will provide a sketch of the proposed seating area with dimensions, the location and size of the tables and chairs, and the proposed hours of operation of the outdoor seating area. The applicant must obtain the required permissions from CDOT prior to city approval, unless the city is given authorization to manage outdoor seating within CDOT right-of-way.
9. Mobile vending within the public right-of-way or on publicly owned property is prohibited, unless such vending is part of event as permitted pursuant to Chapter 12.24 of this code.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.060 Major encroachments and work on public property—Permit required.

A. No person except the city, or a person exempted by contract with the city, shall undertake or permit to be undertaken any major encroachment involving the construction, excavation, work and/or encroachment in the public right-of-way or public property, or operate and maintain any utility within the right-of-way without first obtaining a permit from the city as set forth in this section. Each permit obtained, along with associated documents, shall be maintained on the job site and available for inspection upon request by the city. Provided, however, the city may waive a permit for minor repairs to existing sidewalks or driveways.

B. No permittee shall perform construction, excavation, work in, or encroachment of an area larger or at a location different than that specified in the permit or permit application. When construction, excavation, or work is commenced under an approved permit, it becomes necessary to perform construction, excavation, or work in a larger or different area than originally requested under the application; the permittee shall notify the city immediately and within twenty-four hours shall file a supplementary application for the additional construction, excavation, or work.

C. Permits for construction, excavation or work shall not be transferable or assignable and work shall not be performed in any place other than that specified in the permit. The applicant may subcontract the work to be performed under a permit provided that the holder of the permit obtains all insurance and financial security as required. The permittee shall be and remain responsible for the performance of the work under the permit. The physical construction of public improvements in new developments is the responsibility of the developer of the land. Ownership of those improvements remains with the developer of the land until acceptance by the city. Any person performing work on those improvements which are within a public way, or on an area proposed for dedication as a public right-of-way or utility easement, but prior to acceptance by the city, shall obtain a permit from the city, and permission from the owner of the improvements and the proposed public way. The permittee shall be financially responsible to the owner of the improvements to carry out all remedial work necessary to receive acceptance by the city of those improvements. This financial obligation shall apply only to the work in the public way done by the permittee.

D. Any work or use of other city property, other than rights-of-way, may be allowed by the city only if it is appropriate in the city's discretion or authorized by other city ordinances or regulations. Such use may be subjected to the provisions of this section in addition to any other terms and conditions required by the city.

E. Once the construction, excavation or work has been completed and accepted by the city, the permit shall run with the land, unless revoked by the city.

F. The installation of utility and communications facilities in rights-of-way controlled by the Colorado Department of Transportation shall nonetheless require the city's approval, and compliance with applicable city ordinances.

G. Permits for major encroachments in the public rights-of-way or public property shall be approved by the city administrator or the city administrator's designee; provided that if an easement is required for a major encroachment, City Council approval of the easement shall be required.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.070 Major encroachments-Application and conditions.

A. An applicant for a permit for a major encroachment to allow construction, excavation, work or encroachment in the public right-of-way or other public property under this section shall:

1. File a written application made upon a form provided by the city, which will include information necessary or convenient for the administration and enforcement of this section, including, but not limited to, a statement that the applicant or its contractor is not delinquent in payments due to the city on prior work. A fee, payable upon application, for processing the permit shall be set by city council resolution from time to time.

2. Attach copies of all permits or licenses (including required insurance, deposits, bonds, and warranties) required to do the proposed work, and to work in the public rights-of-way, if license or permits are required under the laws of the United States, the state of Colorado, or the ordinance or regulations of the city.

3. Provide a satisfactory plan of work showing:

   a. The date of commencement and completion of the construction, excavation or work;

   b. A statement that such work will be performed in strict compliance with the requirements of this chapter;

   c. Protection of the subject property and adjacent properties when the City determines such protection is necessary;

   d. Protection of shade and ornamental plants and the restoration of turf when the city determines that damage may occur to such plants or turf;

   e. A description and illustration or plan concerning the exact location, depth, length, width, surface area and nature of the construction, excavation, or work desired to be made, together with the location of any underground utilities within a radius of ten feet;

   f. A satisfactory traffic control and erosion protection plan for the proposed construction, excavation, or work; and

   g. List of all anticipated subcontractors.

B. All permits issued for construction, excavation or work may be granted only for the time to complete the work. The applicant is required to renew the permit prior to the expiration of the permit.

C. The permit shall be issued with terms and conditions as necessary and appropriate to implement this section and protect the public health, safety and welfare, including provisions for insurance, indemnification, a hold harmless and damage release for the city, warranty, and repair periods, requirements for as-built plans and requirements to reimburse the city for any costs it incurs as a result of relying on inaccurate "as-built" drawings submitted to the city.

D. Indemnification. Any permittee who applies for a permit shall agree to indemnify and save harmless the city, its authorized agents, officers, representatives and employees from and against any and all claims, penalties, liability or loss resulting from claims or court actions, whether at law or in equity, arising directly or indirectly out of any act or omission of the contractor, his agents, officers, representatives or employees, in constructing, excavating or performing any work on any street, alley, sidewalk, public right-of-way or city-owned property.

E. Insurance. The permittee shall post with the city certification of general liability insurance covering such excavation work. All insurance policies required in this section shall include complete operation coverage for a period of two years from the date of application for each permit. Failure to maintain such insurance shall not relieve any applicant from liability. Such proof of insurance shall contain a clause that the city shall be notified by the insurer not less than thirty days prior to any change in the policy or cancellation of such policy. All liability insurance shall be approved by the city attorney as to form. The minimum coverages required by the city include general liability insurance with minimum combined single limits of one million dollars each occurrence and one million dollars general aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall contain a severability of interests provision, and shall be endorsed to include the city and the city's officers, employees, and contractors as additional insureds. No additional insured endorsement shall contain any exclusion for bodily injury or property damage arising from completed operations. All liability insurance shall be approved by the city attorney as to form.

F. Performance Bond.

1. Each permittee, before being issued a permit, shall provide the city, at the permittee's expense, with a performance bond in a form and amount approved by the city. The bond shall be in an amount equal to one hundred and fifteen percent of the city's estimate of the cost of restoration of the site of the construction, excavation or work. The cost of restoration shall include, without limitation, the removal of defective material, re-compaction of subgrade and base material and construction of surface improvements.

2. Only one bond is required for any number of permits, provided the bond has not been declared forfeit, or has not been reduced by the provisions of any other section of this chapter. The condition of such bond shall be that the permittee shall comply with all the ordinances and specifications of the city relating to excavating or working in any street, alley, sidewalk or other public right-of-way or city-owned property.

3. Such bond shall be approved by the city as to sufficiency and by the city attorney as to form, and shall remain in full force and effect for a period of two years from and after the date any excavation is made.

4. In the event of a breach of any of the conditions of the bond, the city shall give notice of same to the surety, shall cause to be remedied the condition wherein the bond is breached, and the city attorney shall bring action in the name of the city to recover the penalty of the bond, or so much thereof as may be necessary to reimburse all costs and expenses the city may have incurred incidental thereto.

5. No permit under this section shall be issued to any applicant whose bond, or any portion thereof, has been declared forfeit, unless and until such bond shall be reinstated or a new bond filed as provided in this chapter.

6. The provisions of subsections 1 through 5 of this section shall not apply to the holder of a valid franchise agreement with the city.

G. Time of Completion. All work covered by the permit shall be completed by the date stated on the application. Permits shall be void if work has not commenced within six months of issuance, and in such case, performance bonds shall be returned with any applicable administrative or city costs deducted.

H. Traffic Control.

1. When it is necessary to obstruct traffic, a detour plan shall be submitted to the city prior to starting construction. No permit will be issued until the plan is approved by the city. No permittee shall interrupt access to and from private property, block emergency vehicles, block access to fire hydrants, fire stations, fire escapes, water valve, underground vaults, valve housing structures, or any other vital equipment unless permission is obtained in writing from the owner of that facility, equipment or property.

2. If a street closing is desired, the applicant will request the assistance and obtain the approval of the city. It shall be the responsibility of the permittee to notify and coordinate all work in the public way with police, fire, ambulance, transit organizations, and affected property owners at least twenty-four hours in advance. When necessary for public safety, the permittee shall employ flag persons whose duties shall be to control traffic around or through the construction site. The use of flag persons may be required by the city and traffic control devices, as defined in Part VI of the Manual on Uniform Traffic Control Devices, must be used whenever it is necessary to close a traffic lane or sidewalk.

I. Minimizing the Impact of Work in the Right-of-Way.

1. Relocation and Protection of Utilities. Before any permittee begins excavation in any public way, he shall contact the Utility Notification Center of Colorado and make inquiries of all ditch companies, utility companies, districts, municipal departments, and all other agencies that might have facilities in the area of work to determine possible conflicts. The permittee shall contact the Utility Notification Center of Colorado and request field locations of all facilities in the area at least seventy-two hours in advance. Field locations shall be marked prior to commencing work. The permittee shall support and protect all pipes, conduits, poles, wires, or other apparatus, which may be affected by the work from damage during construction or settlement of trenches subsequent to construction.

2. Noise, Dust, Debris, Hours of Work. Each permittee shall conduct work in such manner as to avoid unnecessary inconvenience and annoyance to the general public and occupants of neighboring property. In the performance of the work, the permittee shall take appropriate measures to reduce noise, dust, and unsightly debris. No work shall be done between the hours of 7:00 p.m. and 7:00 a.m., nor at any time on Sunday, except with the written permission of the city, or in case of an emergency.

3. Trash and Construction Materials. Each permittee shall maintain the work site so that:

   a. Trash and construction materials are contained so that they are not blown off of the construction site;

   b. Trash is removed from the construction site often enough so that it does not become a health, fire, or safety hazard; and

   c. Trash dumpsters and storage or construction trailers are not placed in the street without specific approval of the city.

4. Deposit of Dirt and Materials on Roadways. Each permittee shall comply with the requirements to eliminate the tracking of mud or debris upon any street or sidewalk and work shall be performed so as to permit the free passage of water in the gutter and the passage of pedestrians on the sidewalk. Equipment and trucks used during construction, excavation, or work activity shall be cleaned of mud and debris prior to leaving the work site.

5. Protection of Trees and Landscaping. Each permittee shall protect trees, landscape, and landscape features as required by the city. All protective measures shall be provided at the expense of the permittee.

6. Protection of Paved and Improved Surfaces from Equipment Damage. Backhoe equipment outriggers shall be fitted with rubber pads whenever outriggers are placed on any paved surface. Tracked vehicles with grousers are not permitted on paved or improved surfaces unless specific precautions are taken to protect the surface. The permittee will be responsible for any damage caused to the surfaces by the operation of such equipment and shall repair such surfaces. Failure to do so will result in the use of the applicant's performance security by the city to repair any damage, and possibly, the requirement of additional warrantees.

7. Protection of Property. Each permittee shall protect from injury any adjoining property by providing adequate support and taking other necessary measures. The permittee shall, at his own expense, shore up and protect all buildings, walls, fences, or other property likely to be damaged during the work, and shall be responsible for all damage to public or private property resulting from failure to properly protect and carry out work in the public way.

8. Clean-up. As the work progresses, all public rights-of-way and private property shall be thoroughly cleaned of all rubbish, excess dirt, rock, and other debris. All clean-up operations shall be done at the expense of the permittee.

9. Preservation of Monuments. Each permittee shall not disturb any surface monuments or survey hubs and points found on the line or work unless approval is obtained from the city. Any monuments, hubs,

and points disturbed will be replaced by a Colorado Registered Land Surveyor at the permittee's expense.

10. Each permittee shall make provisions for employee and construction vehicle parking so that neighborhood parking adjacent to a work site is not impacted.

11. Each permittee shall maintain an adequate and safe, unobstructed walkway around a construction site or blocked sidewalk in conformance with city building codes.

12. Each permittee shall clear all snow and ice hazards from public sidewalks at the work site by noon following a snowfall.

13. The permittee shall provide adequate sanitary facilities.

J. Standards and Specifications. The permittee shall be fully responsible for the cost and actual performance of all work in the public way. The permittee shall do all work, including restoration and repair of unpermitted disturbances, in conformance with any and all construction specifications, and the city's minimum standards and specifications. These standards shall apply to all work in the public way unless otherwise indicated by the permit.

K. Location and Relocation of Facilities.

1. The location of the permittee's facilities shall be subject to the prior approval of the city, shall be located to maximize the potential use of the right-of-way, minimize interference with the city's use and facilities, and conform to requirements of city standards and specifications.

2. The city recognizes that it is within its police power as a home rule municipality to preserve the physical integrity of its streets and highways, control the orderly flow of vehicles and pedestrians, and efficiently manage the gas, electric, water, cable, broadband, telephone, and other facilities that crisscross its streets and public rights-of-way. It is the city's policy to efficiently use public rights-of-way for a variety of infrastructure and utilities in order to provide public services; advance the city's goal of increasing opportunities for access to traffic control, communication, and broadband services; limit the frequency of street closures and cutting of public streets; and reduce road degradation caused by repeated boring and trenching of public rights-of-way. To this end, the city requires all person proposing work under this section that involve directional boring or open trenching within a public right-of-way that extend for more than one hundred feet in length to collocate and install city conduit simultaneously with the work proposed. The city will review all permit applications in a competitively neutral manner and make all permit decisions based on substantial evidence. The city may, upon initial review of the permit application, determine that the proposed work does not demonstrate a need for collocation of city infrastructure.

3. For any work that requires colocation of city conduit, the city shall, as a condition of the issuance of the permit or continued validity of a permit, require the permittee to install city conduit with tracer wire and associated infrastructure, as identified by the city, concurrent with the installation of the permittee's infrastructure. The requirement for the permittee to install city conduit with tracer wire and the associated infrastructure shall be completed after the city has reviewed and approved all estimated costs associated with the co-location of the city conduit. The permittee shall install the city conduit with tracer wire adjacent to the permittee's infrastructure and within the same bore or trench alignment. The city will bear all costs associated with the city conduit, pull boxes, and all other materials and infrastructure to be installed and the incremental increased costs incurred by the permittee (or its contractor or subcontractor) that are reasonably and directly attributable to the required co-location of city conduit, materials and infrastructure.

4. When a colocation of city conduit is required, this completion inspection shall include physical verification of the installed city conduit. The permittee may be required to submit signed as-built documentation of the city's conduit to the city if physical verification of the city conduit is not possible.

5. If at any time the city requests the permittee to relocate its facilities in order to allow the city to make any use of rights-of-way, or if at any time it shall become necessary or convenient to move or change the permittee's facilities within or adjacent to streets or rights-of-way in any manner, either temporarily or permanently, because of a change in the grade or by reason of the improving, repairing, constructing, or maintaining of any street or rights-of-way, by reason of traffic conditions, public safety, by reason of installation of any type of city utility facilities or other improvement, or by reason of any program from the undergrounding of such facilities, the city shall notify the permittee at least ninety days in advance, except in the case of emergencies, of the city's intention to perform or have such work performed. The permittee shall thereupon, at its sole cost and expense, accomplish the necessary relocation, removal, or change within a reasonable time from the date of the notification, but in no event later than three working days prior to the date the city has notified the permittee that it intends to commence its work or immediately in the case of emergencies. Upon the permittee's failure to accomplish such work, the city may perform such work at the permittee's expense and the permittee shall reimburse the city within thirty days after receipt of a written invoice. Following relocation, all affected property shall be restored to, at a minimum, the condition which existed prior to construction by the permittee at the permittee's expense, and revised as-built plans submitted to the city.

6. The city may require the relocation of facilities which are not installed in the approved location or corridor following the procedures set out in (4) above.

L. Emergency Procedures. Any person maintaining facilities in the public way may proceed with repairs upon existing facilities without a permit when emergency circumstances demand that the work be done immediately. Emergency work is defined to mean any work necessary to restore water, sewer, gas, phone, and electric facilities. Repairs on other facilities in the public way may also be administratively classified as emergency by the city. The person doing the work shall apply to the city for a permit on the first working day after such work has commenced. All emergency work will require prior telephone notification to the city police department and the appropriate fire protection agency.

M. Issuance of Permits. The city shall issue permits for work and encroachment under this section for an application that conforms with the requirements of this section.

N. Revocation of Permits.

1. Any permit may be revoked or suspended by the city after notice to the permittee for:

a. Violation of any condition of the permit or of any provision of this section.

b. Violation of any provision of any other ordinance of the city or state law relating to the work.

c. Existence of any condition or performance of any act which the city determines does constitute or cause a condition endangering life or damage to property.

2. Suspension or revocation by the city and a stop work order shall take effect immediately upon notice to the person performing the work in the public way, or to the permittee's last known address.

3. A stop work order may be issued by the city to any person or persons doing or causing any work to be done in the public way without a permit, or in violation of any provision of this section, or any other ordinance of the city.

4. Any stop work or suspension order or revocation of any permit may be appealed by the permittee to the city administrator by filing a written notice of appeal within ten days of the order or revocation.

5. Notice of revocation of an encroachment permit shall be sent by the city to the permittee at the address provided in the application. Revocation of the permit shall be effective ten days after the date of the notice. Permittee shall be obligated to remove the encroachment within thirty days of the effective date of the revocation.

O. Administration and Enforcement.

1. Any person who violates any provision of this Chapter 12.04 is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine in an amount that does not exceed the maximum fine provided for in Chapter 1.16. The city may also maintain an action in a court of competent jurisdiction to enjoin any violation of this chapter, or of any permit issue pursuant hereto.

2. The city shall refuse to issue a permit under this chapter to any person who shall have suffered two convictions hereunder within a period of five years from the date of the first or former conviction, for a period of at least one year after such second conviction.

(Ord. No. 3917, § 1, 11-21-2017)

12.04.080 Existing inadvertent encroachments.

A. A property owner may seek authorization from the city for the continuation, but not expansion, of an existing inadvertent encroachment. The review and decision regarding whether to authorize the continuation of an existing inadvertent encroachment shall be made by the City Council. Each decision shall be based on the specific facts involved, and the City retains full authority to grant, deny, or condition authorization for the continuation of an existing inadvertent encroachment.

B. To seek authorization, the property owner shall submit a complete application to the City Planning Department on a form provided by the City, which shall include:

1. A diagram of the property involved showing the encroachment and measurements of the encroachment;
2. A written narrative explaining the circumstances that caused the encroachment and why the encroachment meets the definition of an existing inadvertent encroachment;
3. Photographs of the encroachment; and
4. Any other information requested by the Planning Department.

C. In reviewing the application, the City Council shall consider the following:

1. Whether the encroachment meets the definition of an existing inadvertent encroachment;
2. Whether the encroachment poses any hazard to pedestrians, vehicles, or the public in general:
3. The City's current and future need for the public property and the area where the encroachment exists;
4. The size of the area and the specific rights being requested by the property owner; and
5. Any other matter the City Council deems relevant in its sole discretion.

D. The City Council may, but shall not be required to, take comment from City Planning Department staff, the property owner, and the public. Regardless of a request by the applicant for a license, easement, or fee title for the encroachment, the City Council may grant authorization for the encroachment via any lawful method, including a license agreement, an easement agreement, or conveyance of fee title to the area where the encroachment exists, pursuant to any terms and conditions the City Council deems appropriate in its sole discretion. The City Council may also deny authorization for the encroachment. The City Council may, but shall not be required to, provide reasons for its decision. Nothing set forth herein shall be deemed to make a decision by the City Council a quasi-judicial matter subject to appeal by the property owner. The City retains full discretion over the disposition and use of all public property and all decisions relating to existing inadvertent encroachments shall be at the City Council's sole discretion.

E. Compensation. Depending on the nature of the encroachment, the rights approved by the City Council, and any other factor the City Council deems relevant, the City may require compensation for the encroachment, which shall be the City's estimate of the fair market value of the property rights the City has approved granting to authorize the encroachment. In addition, the City may charge a fee for an application, the amount of which shall be determined by the City Council and included in the City's fee schedule. Finally, the City may require payment of the costs incurred by City for any consultants engaged by the City to review the application, advise the City, and prepare any necessary documents, including without limitation, the costs of legal counsel, engineers, and surveyors.

COUNCIL BILL NO. 0726 **ORDINANCE NO. 0226**

ORDINANCE

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

WHEREAS, the City Council desires to establish a clear process for how encroachments into City rights-of-way and other City owned or controlled property are processed for review and approval to ensure all requests are treated fairly depending on the needs of the requesting party and City's interests.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MANITOU SPRINGS, COLORADO, THAT:

Section 1: Section 12.04.020 of the Manitou Springs Municipal Code is hereby amended by the addition of a new definition to read as follows:

> "Existing Inadvertent Encroachment" means an encroachment into City right-of-way or City owned or controlled property that exists due to an inadvertent and unintentional act of the current or prior property owner.

Section 2: A new subsection (F) is hereby added to Section 12.04.040 of the Manitou Springs Municipal Code to read as follows:

> Permits for temporary encroachments shall be approved by the city administrator or the city administrator's designee.

Section 3: Subsection (A) of Section 12.04.050 of the Manitou Springs Municipal Code is hereby amended read as follows:

> No person shall construct any minor encroachment, such as fences, private landscaping, or mailbox pillars, or place any object in the public right-of-way or public property without first obtaining a revocable license or easement agreement approved by the city. This section shall not include trash receptacles that are placed adjacent to the traveled lanes for removal on the scheduled date of pick-up.

Section 4: Subsection (C)(2) of Section 12.04.050 of the Manitou Springs Municipal Code is hereby amended read as follows:

> Upon approval by appropriate departments, the city shall prepare either a license agreement or an easement agreement depending upon the nature of the minor encroachment, the request of the applicant, and the requirements of the city.

Whether to require a license agreement or an easement and the form of those documents shall be at the sole discretion of the city. Minor encroachments in the public rights-of-way or public property shall be approved by the city administrator or the city administrator's designee; provided that if an easement is required for a minor encroachment, City Council approval of the easement shall be required.

Section 5: A new subsection (G) is hereby added to Section 12.04.060 of the Manitou Springs Municipal Code to read as follows:

Permits for major encroachments in the public rights-of-way or public property shall be approved by the city administrator or the city administrator's designee; provided that if an easement is required for a major encroachment, City Council approval of the easement shall be required.

Section 6: A new Section 12.04.080 is hereby added to the Manitou Springs Municipal Code to read as follows:

12.04.080 Existing inadvertent encroachments.

A. A property owner may seek authorization from the city for the continuation, but not expansion, of an existing inadvertent encroachment. The review and decision regarding whether to authorize the continuation of an existing inadvertent encroachment shall be made by the City Council. Each decision shall be based on the specific facts involved, and the City retains full authority to grant, deny, or condition authorization for the continuation of an existing inadvertent encroachment.

B. To seek authorization, the property owner shall submit a complete application to the City Planning Department on a form provided by the City, which shall include:

1. A diagram of the property involved showing the encroachment and measurements of the encroachment;
2. A written narrative explaining the circumstances that caused the encroachment and why the encroachment meets the definition of an existing inadvertent encroachment;
3. Photographs of the encroachment; and
4. Any other information requested by the Planning Department.

C. In reviewing the application, the City Council shall consider the following:

1. Whether the encroachment meets the definition of an existing inadvertent encroachment;

2. Whether the encroachment poses any hazard to pedestrians, vehicles, or the public in general:
3. The City's current and future need for the public property and the area where the encroachment exists;
4. The size of the area and the specific rights being requested by the property owner; and
5. Any other matter the City Council deems relevant in its sole discretion.

D. The City Council may, but shall not be required to, take comment from City Planning Department staff, the property owner, and the public. Regardless of a request by the applicant for a license, easement, or fee title for the encroachment, the City Council may grant authorization for the encroachment via any lawful method, including a license agreement, an easement agreement, or conveyance of fee title to the area where the encroachment exists, pursuant to any terms and conditions the City Council deems appropriate in its sole discretion. The City Council may also deny authorization for the encroachment. The City Council may, but shall not be required to, provide reasons for its decision. Nothing set forth herein shall be deemed to make a decision by the City Council a quasi-judicial matter subject to appeal by the property owner. The City retains full discretion over the disposition and use of all public property and all decisions relating to existing inadvertent encroachments shall be at the City Council's sole discretion.

E. Compensation. Depending on the nature of the encroachment, the rights approved by the City Council, and any other factor the City Council deems relevant, the City may require compensation for the encroachment, which shall be the City's estimate of the fair market value of the property rights the City has approved granting to authorize the encroachment. In addition, the City may charge a fee for an application, the amount of which shall be determined by the City Council and included in the City's fee schedule. Finally, the City may require payment of the costs incurred by City for any consultants engaged by the City to review the application, advise the City, and prepare any necessary documents, including without limitation, the costs of legal counsel, engineers, and surveyors.

Section 7. If any article, section, paragraph, sentence, clause or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 8. This ordinance is deemed necessary for the protection of the health, welfare and safety of the community.

Section 9. This ordinance shall take effect five (5) days after publication following final passage.

Passed on first reading and ordered published this 20th day of January 2026.

____
City Clerk, Elena Krebs

A Public Hearing on this ordinance will be held at the February 3, 2026 City Council meeting. The City Council Meeting will be held at 6:00 P.M. at City Hall, 606 Manitou Avenue, Manitou Springs, Colorado.

Ordinance Published: ____________________________, 2026. (in full)

City's Official Website and City Hall

Passed on second reading and adopted by Council this ___ day of _________________ 2026.

____
Mayor, Natalie Johnson

Attest: ____________________________
City Clerk, Elena Krebs

Published: _________________, 2026 (in full)
City's Official Website and City Hall

Memorandum

Title: 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

From: Fire Chief Keith Buckmiller

To: Mayor and City Council

CC: City Administrator Denise Howell

Allocated Time: 10 Minutes

January 20, 2026

Purpose:

The purpose of this ordinance is to establish a cost recovery mechanism for emergency and non-emergency services provided by the Manitou Springs Fire Department. The goal is to ensure financial sustainability while maintaining high quality response services.

Background:

This proposed ordinance was previously presented and discussed during City Council's January 13th Work Session, where Council received an overview of the intent, framework, and fiscal considerations. The ordinance is now being brought back for first reading.

The Fire Department's emergency and non-emergency service demands continue to increase, making it difficult for the City to cover the costs of providing high quality response services from the Department. This ordinance establishes a fair cost recovery process so those responsible for incidents bear the related expenses. If approved, fees will be set by resolution after the second reading and the process will be administered through a third-party billing provider, consistent with practices in comparable municipalities.

Fiscal Impact:

The fiscal impact is dependent on the number of qualifying emergency responses.

Workload Impact:

The impact on staff workload will be minimal. Staff will gather information on the scene and report it to a third party vendor for billing and collection.

Recommended Action:

Move to approve on First Reading, 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, and set a public hearing for February 3, 2026, at 6:00 p.m., or as soon thereafter as the matter may be heard.

COUNCIL BILL NO. 0626 **ORDINANCE NO. 0126**

ORDINANCE

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

WHEREAS, the need for emergency and non-emergency services in the City continues to increase each year;

WHEREAS, environmental protection requirements and Homeland Security regulations involving equipment and training have created additional demands on all operational aspects of the City's fire department;

WHEREAS, the City's fire department has investigated different options for maintaining a high level of quality emergency and non-emergency services during these times of constantly increasing service demands, where effective responses by the fire department decreases the costs to insurance carriers, businesses, and individuals;

WHEREAS, timely and effective management of emergency situations saves lives and reduces property and environmental damage;

WHEREAS, raising real property taxes to meet the increase in service demands is not equitable when the party or parties responsible should be responsible for the costs of their actions; and

WHEREAS, the City Council of the City of Manitou Springs desires to implement a fair and equitable procedure to recover the costs of providing emergency and non-emergency services provided by the City's fire department, which shall include a billing system in accordance with applicable laws, regulations and guidelines.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MANITOU SPRINGS, COLORADO, THAT:

Section 1: A new Chapter 3.55 is hereby added to the Manitou Springs Municipal Code to read as follows:

Chapter 3.55 – EMERGENCY AND NON-EMERGENCY FIRE DEPARTMENT SERVICES – COST RECOVERY

3.55.010 – Purpose.

The purpose of this Chapter is to capture a portion of the cost of emergency and non-emergency incident response services provided by the Manitou Springs

Fire Department, which increase each year making it difficult for the City to cover the costs of providing high-quality response services from the fire department.

3.55.020 – Cost Recovery

A. The City shall recover the costs its fire department incurs in delivering emergency and non-emergency services, including without limitation the costs incurred by the fire department for personnel, supplies and equipment delivered to the scene of emergency and non-emergency incidents via any authorized legal means. The City Council shall, by resolution, set the fees to be charged to recover these fire department costs, which shall be based on actual costs of the services. The costs shall be consistent with those usually, customarily and reasonably incurred by other similarly situated fire departments delivering similar services.

B. The City may contract with third parties for the administration of the cost recovery program authorized by this Chapter, including without limitation, billing and collection services, which may include filing claims with the responsible parties through their insurance carriers.

Section 2. If any article, section, paragraph, sentence, clause or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 3. This ordinance is deemed necessary for the protection of the health, welfare and safety of the community.

Section 4. This ordinance shall take effect five (5) days after publication following final passage.

Passed on first reading and ordered published this 20th day of January 2026.

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City Clerk, Elena Krebs

A Public Hearing on this ordinance will be held at the February 3, 2026 City Council meeting. The City Council Meeting will be held at 6:00 P.M. at City Hall, 606 Manitou Avenue, Manitou Springs, Colorado.

Ordinance Published: January 21, 2026. (in full)

City's Official Website and City Hall

Passed on second reading and adopted by Council this ___ day of ________________ 2026.

____
Mayor, Natalie Johnson

Attest: __________________________
City Clerk, Elena Krebs

Published: ________________, 2026 (in full)
City's Official Website and City Hall