

**CITY OF MANITOU SPRINGS
CITY COUNCIL**

Regular Meeting Minutes
606 Manitou Avenue
March 17, 2026

The City Council of Manitou Springs met in Regular Session on Tuesday, March 17, 2026, at 606 Manitou Avenue, in the City of Manitou Springs, County of El Paso, and State of Colorado.

COUNCIL MEMBERS PRESENT FOR ROLL CALL:

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

A. CALL TO ORDER

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

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

C. ROLL CALL

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

D. APPROVAL OF AGENDA

Councilor Shada moved to approve the agenda as amended to move item H3, Manitou, Arts, Culture, and Heritage Board Grant Recommendations, before item H2, Resolution 0826. The motion was seconded by Councilor Storm. The motion carried unanimously (7-0).

E. PUBLIC COMMENT ON NON-AGENDA ITEMS

Michael Clark, 166 El Paso Boulevard, requested increased police presence in his neighborhood due to safety concerns, including theft, overnight camping and other unlawful activities. He noted prior communication with the Police Chief and urged additional enforcement.

Andrew Nicholas, 121 Ruxton Avenue, expressed concerns about challenges charging his electric vehicle and recent changes that no longer allow residential charging setups

in the public right-of-way. He explained that previous free charging options at the Recreation Center are no longer available. He requested that the City consider reinstating a no-cost or reduced resident rate for public electric vehicle charging to support residents without home charging access.

F. CONSENT CALENDAR

1. March 3, 2026 City Council Minutes
2. Presentation of Warrants
3. Soda Springs Park Phase III Design Documents
4. Approval of Change Order No. 3 with Filanc Construction for the 2024 Water Treatment Plant Improvements Project

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

G. PRESENTATION

1. Proclamation No. 0226, Recognizing March as Women's History Month

Mayor Pro Tem Chandler read Proclamation No. 0226 into the record, recognizing March as Women's History Month.

2. First Quarter 2026 Visit Manitou Springs Update

Jenna Wells, Executive Director with Visit Manitou Springs, presented the First Quarter 2026 update, highlighting tourism as a key driver of sales tax revenue and emphasizing the use of data to guide funding decisions. She reported approximately \$19,000,000 in visitor spending, with the majority coming from out of state visitors, and noted trends in visitor behavior, key markets, and opportunities to increase overnight stays, as well as converting day visitors into downtown customers. She also shared updates on marketing efforts, partnerships, and upcoming events, reported increased Visitor Center traffic, and announced completion of Americans with Disabilities Act (ADA) improvements to the Visitor Center restroom.

Councilor Nassif expressed interest in volunteering at the Visitor Center.

There was a brief discussion about the ability to track visitor spending. Executive Director Wells explained that different size radius' can be set to generate spending reports, but that cash spending could not be tracked. Tracking visitors via mobile devices was considered to support data as well.

Mayor Pro Tem Chandler expressed appreciation for the extensive data and the ADA bathroom remodel. She noted a drop in July of 2025 on the spending report, compared to July of 2024.

Executive Director Wells stated that the drop was statewide and that Manitou Springs reported a less significant drop than other communities. She shared that she hopes that July spending will trend upward in 2026, but that based on partner collaborations the outlook isn't positive. Executive Director Wells added that she believes the free Route 3 Shuttle service will have a positive impact on tourism in the City.

Mayor Pro Tem Chandler noted that the free Route 3 Shuttle service starts on April 26, 2026.

H. BUSINESS

1. Consider Appointing Holley Murphy to the Parks and Recreation Advisory Board as a Regular Member

Applicant Holley Murphy introduced herself, sharing that she frequently visits City parks and playgrounds with her children. She expressed interest in serving the community to support continued growth and sustainability in City parks.

Councilor Storm moved to appoint Holley Murphy to PARAB as a Regular Member. The motion was seconded by Councilor Latimer. The motion carried unanimously (7-0).

3. Approval of the Manitou Arts, Culture, and Heritage Board 2026 Grant Recommendations

Note for the Record – Mayor Johnson recused herself from the discussion and approval of the Manitou Arts, Culture, and Heritage (MACH) Board grant recommendations.

Ralph Routon, MACH Board Chair, noted that all 40 grants recommended for funding by the Board were reviewed and discussed during the March 10, 2026 City Council Work Session. He added that there was further discussion with the applicant for the Manitou Springs Commons at the STACC grant during the Work Session. Chair Routon explained that the Manitou Springs Commons grant is recommended for approval with conditions, including postponement of funding until a lease is signed and ADA improvements are completed, with potential for additional funding depending on the availability of remaining funds.

Councilor Storm moved to approve the Tier 1 MACH Grant recommendations as presented. The motion was seconded by Councilor Nassif. The motion carried unanimously (6-0).

Mayor Pro Tem Chandler opened the floor for any Tier 2 grant applicants to speak to their grant application. Due to no comment, Mayor Pro Tem Chandler subsequently closed the floor.

Councilor Storm moved to approve all recommended Tier 2 grants, excluding the Manitou Springs Commons at the STACC grant application. The motion was seconded by Councilor Latimer. The motion carried unanimously (6-0).

Mayor Pro Tem Chandler expressed concerns about the Manitou Springs Commons grant application, including the language about late fees in the drafted lease agreement and that there is not a specified end date to meet the conditions. She suggested setting a deadline of August 31, 2026 for the applicant to meet the conditions, and that if conditions are not met in time the application be moved to the next grant cycle.

Councilor Wolfe inquired about whether a security deposit is required and who would be liable in the event of a missed rent payment.

Applicant Nancy Fortuin confirmed that no security deposit is required in the drafted lease agreement and explained that they requested a delay in the implementation to allow for the formation of the non-profit. She added that in discussions with the owner, St. Michael's Church, in the event they are unable to make the payment the lease would be broken, and the tenant would no longer have access to the property.

Councilor Wolfe requested the terms regarding failure to pay rent be included in the agreement.

Councilor Storm expressed concern about the proposed August 31, 2026 deadline, noting that the building is old and may have hidden issues, especially when dealing with plumbing for the bathrooms. She suggested rather than setting the deadline, the City Council could request that the applicant provide an update on progress.

Councilor Wolfe expressed concern about the conditions being open-ended. She supported an August 31, 2026 deadline.

Applicant Susan Watkins agreed with Councilor Storm, stating that she would hate to lose the funds over a contracting issue that the applicants would have no control over.

There was a brief discussion about whether the MACH Board has ever approved an open-ended grant application before. Chair Routon stated that the Board generally gives grant awardees until the end of the calendar year to complete their projects and file a project completion report, with the exception of events that take place in the first quarter of the following year.

Mayor Pro Tem Chandler stated that she would support changing the deadline to meet conditions to the end of the calendar year to align with the standard practice of the Board.

Councilor Wolfe stated that she prefers the August 31, 2026 deadline, because if the funds are expected to be utilized by the end of the year, then \$14,000 would be a close match to covering the Community Center's rent for September through December.

There was a brief discussion about the timing of the next grant cycle. Chair Routon shared that applications for 2027 would typically open later in 2026 with a deadline in January of 2027.

Councilor Storm suggested a deadline of December 1, 2026 to allow for rent in the first quarter of 2027. She expressed support for the project, stating that she would like to see the applicants succeed.

Councilor Wolfe moved to approve \$14,000 to be held in abeyance, up to \$20,000 depending on additional funds that may become available, conditioned on the City Council reviewing and approving the lease, the completion of renovations for ADA compliant bathrooms, and that all conditions be met by December 1, 2026. The motion was seconded by Councilor Nassif. The motion carried unanimously (6-0).

There was a discussion about the MACH Board grant process. Councilor Latimer stated that she would find it helpful to have the criterion that the Board uses in reviewing applications. Mayor Pro Tem Chandler noted that the MACH Board has a standard practice of reviewing the process for improvements after the completion of each cycle. Chair Routon stated that the application system has a new capability for the Board to be able to grant read-only access to the City Council and that the Board is considering ways of being more proactive.

Note for the Record – The City Council took a break at 7:02 PM and reconvened at 7:16 PM.

2. Consideration of Resolution No. 0826, A Resolution of the City of Manitou Springs City Council Transferring Amounts from Budgeted Medical Insurance Expenditures to Budgeted Salaries to Provide a Cost of Living Increase of Two Percent to Non-Leadership Full-Time City Employees

Bob Longmire, with Public Sector Personnel Consultants (PSPC), presented an overview of strategies to remain competitive in employee compensation, emphasizing the need to both move employees through pay ranges via merit or similar methods and regularly adjust salary ranges to keep pace with the market for recruitment and retention. He noted that current market trends show average Cost of Living Adjustments (COLA) of approximately 3.5% for general employees and slightly higher for public safety, with employee movement around 3%. Representative Longmire outlined two options for consideration, including a 2% COLA, which could be fully absorbed by health insurance savings with no impact to the general fund, and a 3% COLA, more closely aligned with market trends, which would result in a general fund increase after applying the insurance savings.

Councilor Wolfe expressed concern about ensuring that all employees are making a living wage, noting that an equal increase for all employees would result in less impactful increases for those with smaller incomes.

Representative Longmire suggested that the Council could focus on employees who are on the low end of their salary range, based on how low they are in the range and their time in the job. He also described a cost-of-living wage strategy in which lower-paid employees receive faster increases than higher-paid employees, while cautioning that this approach should not be used repeatedly to avoid an outcome where supervisory and non-supervisory roles are earning the same wage. He added that increases focused on lower-end salaries are typically done in small increments.

Councilor Storm suggested reviewing employee wages in greater detail at a future meeting.

Councilor Wolfe suggested discussing the proposed COLA increase at a budget retreat, to allow the Council to review the matter with the rest of the budget in April.

Mayor Johnson expressed interest in exploring merit increases and addressing lower salary ranges in the process as well. She added that a bonus could be considered if the Council is unsure of what funding will look like later.

Representative Longmire explained that one-time payments are sometimes used, particularly in place of retroactive pay, as they are easier to administer and do not impact pension calculations. However, he emphasized the importance of maintaining competitive wages over time, cautioning that relying too heavily on one-time solutions instead of ongoing adjustments could cause the City to fall behind the market. He added that merit increases should remain tied to performance, while efforts to support employees at the lower end of the pay scale should be framed separately as a livable wage strategy.

There was a brief discussion about increased wages in other cities, during which Representative Longmire explained that cities who approved merit increases without COLA, may have been on a step plan that is set up for annual merit increases and unable to afford a COLA increase at the same time.

There was a brief discussion about when the last COLA increase was. Human Resources Director Kelly Padilla confirmed that there was a 4% COLA increase in 2025.

Councilor Storm stated that she believes the COLA increase and livable wage issue could be treated separately. She suggested that the more in-depth analysis of livable wage could be considered later. She added that she would like to recognize employees who have been working in challenging conditions and to consider increases for directors as well.

Mayor Pro Tem Chandler expressed support for providing employees with wage increases, and shared frustration over inconsistent and unclear budget information. She suggested a budget retreat to better understand the City's fiscal position. While supportive of a COLA increase, she noted uncertainty about the sustainability of current funding.

Councilor Shada expressed concern about the City's projected budget shortfall, noting that expenditures are exceeding revenues by approximately \$1,700,000. While acknowledging the importance of employee compensation, he questioned whether current spending is sustainable and suggested that difficult decisions, including potential reductions, may be necessary. He also noted that funding requests continue without corresponding reductions and questioned prioritizing the COLA increase given broader financial challenges.

Councilor Latimer stated that she is in support of postponing the matter, sharing concerns about a potential economic downturn.

City Administrator Denise Howell clarified that \$1,500,000 from the General Fund reserves, along with \$1,500,000 from Mobility and Parking, was planned to balance the 2026 budget. She noted that 2025 reserves are projected to be higher than anticipated due to departments coming in under budget, largely as a result of staff taking on additional responsibilities, which she emphasized is not sustainable. She also explained that funding for a 2% COLA is already included in the budget due to lower than expected insurance costs.

Mayor Johnson clarified that a COLA increase would be an ongoing expense, noting that while funds have been found to cover the expense for 2026, the City's underlying structural deficit has not yet been addressed.

Councilor Wolfe moved to postpone the discussion and consideration of Resolution 0826 for a COLA increase to the Budget Retreat. The motion was seconded by Mayor Pro Tem Chandler. The motion carried (6-1) with Councilor Storm opposed.

I. RECEIVE OR ACT ON COUNCIL CORRESPONDENCE

There was a discussion about a date for the Budget Retreat, which was tentatively scheduled for April 9, 2026 at 8:00 AM.

Mayor Johnson announced that the Manni Awards will be at City Hall on March 18, 2026, at 5:30 PM. She shared that she took the test budget survey and suggested adding discussion about survey questions to the April 7, 2026, Council meeting. She added that parking fees are scheduled for discussion during the April 14, 2026 meeting.

Mayor Pro Tem Chandler shared that Manitou Springs Food Pantry invited the Council to lunch at St. Andrews Church at 12:00 PM on March 18, 2026. She also announced that she signed up for the Colorado Municipal League legislative update on March 26,

2026. Mayor Pro Tem Chandler shared that she received some correspondence regarding the Nixon Power Plant in Colorado Springs, as well as a request for the City to make a statement on the issue.

Councilor Wolfe requested information on several matters, including the status of 18 Delaware Road and 19 Fox Path Road, whether the City received Pikes Peak Rural Transportation Authority (PPRTA) funds for the Lover's Lane retaining wall project, an explanation about the recent change in available funds, how jobs were combined to save City funds and specifically where other savings were achieved in 2025.

City Administrator Howell confirmed that she had declared 18 Delaware Road a nuisance and that the property has since been cleaned up. She stated that she does not know anything about 19 Fox Path Road and will have to investigate the matter.

There was a discussion about streets that City Council approved paving for in 2025. Public Services Director Ben Schmitt explained that the streets approved in 2025 were originally planned for a mill and overlay, but staff determined a more comprehensive approach was needed, including repairs to curb and gutter, sidewalks, and drainage, to ensure long-term durability. He noted that this increased costs, but updated pricing was negotiated and approved through PPRTA to deliver improvements with an expected 25-year lifespan. As a result, the City will complete fewer streets but with higher-quality treatments, prioritizing long-term value and responsible use of funds. He added that approximately \$400,000 has been spent so far.

Public Services Director Ben Schmitt reported that the Lover's Lane retaining wall project received approval for an advance allocation of capital funds through PPRTA, allowing the City to access projected future funding. He stated the project is approximately 30% through the design phase and clarified that project costs will be reimbursed on a monthly basis through pay applications, reducing the need to hold the full project budget upfront.

There was a discussion about funding for the Lover's Lane Retaining Wall Project and the availability of PPRTA funds for future needs, during which Public Services Director Ben Schmitt clarified that the approximately \$2,400,000 Lover's Lane project is fully funded through a PPRTA capital fund allocation and is not a City cost-share project. He explained that this funding is separate from other PPRTA sources, such as the PPRTA Maintenance Fund that is being utilized for all road repairs, and does not preclude future assistance. He noted that multiple funding mechanisms remain available for emergencies and infrastructure repairs, including City maintained reserves, bridge specific funds, and potential local aid. He also emphasized ongoing efforts to proactively secure funding for other at risk infrastructure, such as the Serpentine Wall, to address issues before they become emergencies.

There was a brief discussion about funding that gets set aside for future emergency projects, such as bridge repairs, during which City Administrator Howell confirmed that

the funds are allocated. She explained that the City's reserves hold funds that have not been allocated for any special use and added that there is the potential to pull more funds for emergency use from PPRTA with approval.

Councilor Latimer announced that there will be an informal community meeting on Tuesday, March 24, 2026 at 6:00 PM at the Manitou Winery for the public to attend and discuss City issues. She also shared that she had a few residents express concern about residential parking permits and parking availability on Waltham. Councilor Latimer also shared that there was an accessibility issue with the Newsletter which was promptly addressed by City staff. Regarding the public comment from resident Michael Clark, she noted that there has been an increase in criminal activity and more police presence in Fields Park during the last few weeks. She also noted a rise in concern about fire danger and requests for information about fire mitigation. Additionally, Councilor Latimer suggested that the City consider redrawing the lines of the Wards and expressed interest in developing four wards, noting that the change would require voter approval.

Councilor Storm shared that she has been working with the Fire Department and Tall Timbers Tree and Shrub Service to mitigate her property. She stated that the City is matching \$500 of the \$1,200 project and that she plans to document the project.

J. CITY ADMINISTRATOR REPORT

City Administrator Howell reported on the following:

- There is a Budget 101 Meeting on March 19, 2026 at 5:30 PM in City Hall.
- Coffee with the City Administrator is on Thursday, March 19, 2026 from 7:00 AM to 9:00 AM in City Hall. Evening dates for Coffee with the City Administrator will be scheduled in the near future.
- Citizens Academy is currently in session and going well.
- City Parks are available for adoption, to help with park clean up. Apply online or reach out to the Parks and Recreation Director for more information.

K. 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

Mayor Johnson read the purpose of the Executive Session into the record at 8:29 PM.

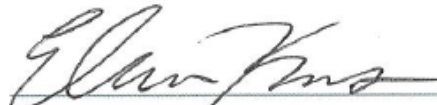
Councilor Latimer moved to enter the Executive Session for the stated purpose. The motion was seconded by Councilor Storm. The motion carried unanimously (7-0).

The City Council moved back to Regular Session at 9:30 PM. Mayor Johnson confirmed the Executive Session was held solely for the stated purpose and that no formal decision was made.


ADJOURN

With no other items to discuss, Mayor Pro Tem Chandler moved to adjourn the meeting. The motion was seconded by Councilor Latimer. The motion carried unanimously (7-0). The meeting adjourned at 9:30 PM.

Attest:



Elena Krebs, City Clerk



Natalie Johnson, Mayor

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