MANITOU SPRINGS CITY COUNCIL
BUDGET WORK SESSION AGENDA

Memorial Hall
606 Manitou Avenue
Manitou Springs, CO 80829

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 Nassif	January 8, 2030
Ward 2	Carey Storm	January 8, 2030
Ward 3	Gloria Latimer	January 8, 2030

August 15, 2026 **8:30 AM**

NO DECISIONS WILL BE MADE AT THIS WORK SESSION

A. CALL TO ORDER

B. ROLL CALL

C. DISCUSSION

1. 2027 Budget Discussion

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.

Agenda for the City Council – Work Session for 2027 Budget Discussion – August 15 from 8:00 a.m. – 3:00 p.m.

Purpose

The purpose of this work session is to have a high-level discussion regarding policy direction from City Council regarding:

1. The appropriate level and use of General Fund reserves.
2. Whether the City should continue utilizing Mobility and Parking Enterprise Fund revenues to support street maintenance costs.
3. Review Scenarios.
4. Give Direction to City Administrator

Staff will use Council's direction to prepare the proposed 2027 budget and multi-year financial plan. Council will not get into line-item discussions but will stay at a high level.

Current Financial Position

As of the end of 2026, the City's unofficial reserve balance is projected to be approximately **$3,829,149**.

During 2026, the City utilized significant one-time resources to address major financial obligations, including:

- Transfer of **$1,500,000** from the Mobility and Parking Enterprise Fund.
- Transfer of **$3,200,000** to fund the COG settlement.
- Additional use of reserves to balance the operating budget.

These actions have reduced available reserves and raised policy questions regarding the City's financial sustainability and ability to respond to emergencies, economic downturns (which we are currently experiencing), and unforeseen infrastructure needs.

Policy Question #1: Reserve Strategy

Background

Reserves serve several critical purposes:

- Protection against economic downturns.
- Emergency response and disaster recovery.
- Cash flow stabilization.
- Preservation of the City's financial flexibility.

Given the declining reserve balance, Council should determine its comfort level regarding future use of reserves.

Option A: No Further Use of Reserves for Operations

Under this approach:

- No reserves would be used to balance the operating budget beginning in 2027.
- Future operating expenditure would be supported entirely through recurring revenues and expenditure reductions.
- Remaining reserves would be preserved for emergencies and critical capital projects only.
- Fee schedule will need to be adjusted.

Advantages

- Improves long-term financial sustainability.
- Protects the City's ability to respond to emergencies.
- Rebuilds financial resiliency.
- Reduces reliance on one-time funding sources.

Considerations

- Requires larger budget reductions in the near term.
- Will require service level adjustments.

Option B: Transitional Use of Reserves

Under this approach:

- Limited reserves would be used in 2027, 2028 and 2029 as a bridge strategy.

- Reserve usage would decline each year.
- By 2030, the operating budget would be balanced without the use of reserves.

Advantages

- Allows additional time to implement reductions.
- Minimizes immediate service impacts.
- Provides a more gradual transition to structural balance.
- Gives additional time to identify revenue sources.

Considerations

- Continues depletion of reserves.
- Delays rebuilding financial capacity.

Council Direction Requested

1. What minimum reserve level is Council comfortable maintaining?
2. Should reserves be used for operating costs after 2026?
3. How much of the current reserve balance should be considered available?

Policy Question #2: Mobility and Parking Enterprise Fund Transfer

Background

The City currently transfers **$1.5 million annually** from the Mobility and Parking Enterprise Fund to support street-related costs.

Council should determine whether this transfer should continue as part of the long-term financial strategy.

Option A: Continue Transfer

Continue transferring approximately **$1.5 million annually** to support street maintenance and transportation-related expenses.

Advantages

- Reduces pressure on the General Fund.
- Supports ongoing transportation investments.
- Reduces the level of General Fund reductions required.

Considerations

- Limits Enterprise Fund capacity for future mobility and parking projects.
- May delay future infrastructure investments within the Enterprise.

Option B: Phase Out Transfer

Reduce or eliminate the transfer over a defined period.

Advantages

- Increases funding available for mobility and parking improvements.
- Strengthens Enterprise Fund financial sustainability.

Considerations

- Requires additional General Fund revenues or expenditure reductions.
- Could increase pressure on other City services.

Council Direction Requested

Should the City continue transferring approximately **$1.5 million annually** from the Mobility and Parking Enterprise Fund to support street-related costs?

Budget

The City's budget strategy will depend significantly on City Council's decision on August 11 regarding whether to pursue a ballot measure. Additional budget information and projections will be provided once City Council determines whether to move forward with a ballot measure and any associated revenue options.

Based on the City's mid-year approved budget, and absent any additional revenue, current projections indicate the City could face an approximate $2.3 million budget shortfall. Projected reserves at the end of 2026 are approximately $3.8 million. The City Council's decision regarding a ballot measure will play an important role in shaping the budget strategies and options available moving forward.

Key Decisions Required

Before staff can prepare a final budget strategy, Council must provide direction regarding:

1. The desired reserve policy over the next three years.
2. Whether Mobility and Parking Enterprise Fund transfers should continue.
3. The acceptable level of expenditure reductions.

The answers to the first three policy questions and the decision on whether Council moves forward with a ballot measure will directly influence the recommendations staff can bring for consideration.

Budget Retreat Agenda (all times are tentative)

8:00 – 8:30 a.m. – Coffee and Gathering

8:30 – 10:00 a.m. Reserves and Mobility/Parking Funds – City Council/Nate/Denise

- Nate will provide his findings regarding other comparable cities' reserves.
- Discuss reserve policy.
- Discuss continued use of Mobility and Parking Fund transfers.
- **Direction – Minimum reserve target.**
- **Direction – Use Mobility and Parking Funds**

10:00 a.m. – 11:30 a.m. Go over scenarios and the budget implications and survey results.

– Demonstrate the tool that will be used as decisions are made.
–Nate/Denise/City Council – See Attached Document with four scenarios.

- **Direction: Reserves/Incremental Approach**

11:30 – 12:00 Lunch/Break

12:30 – 2:30 p.m. Outline and discuss four distinct budgetary scenarios, all focusing on the General Fund. Consensus Building – City Council/Nate/Denise

- **Scenario I – No Reductions/No Amusement Tax/Use Reserves to Balance the Budget**
- **Scenario II – No Amusement Tax/Reduction Amount/Reserves Amount, if Any**
- **Scenario III – Amusement Tax Passes and No Reductions/Use Reserves**
- **Scenario IV – Amusement Tax Passes/Reduction Amount/ No Reserves**

2:30 – 3:00 p.m. – Wrap Up and any outstanding issues.

Desired Outcome

By the conclusion of the retreat, Council should provide clear policy direction regarding reserve usage, Mobility and Parking Fund transfers, and the preferred budget-balancing strategy so staff can finalize development of the proposed 2027 budget.

Next Steps

Discuss if there is a need for a meeting in September and, if so, what is the purpose and the desired outcome.

Staff will present a proposed budget to City Council on **October 8th**; following that meeting, City Council will meet on **October 10th** to discuss it. **December 1** will be the first reading of the budget, and December 10th will be the second.

Scenarios for Budget Meeting on 8/15/2026

Scenario 1 No Amusement Tax and No Reductions	2027	2028	2029
Beginning Reserves	$3,829,149	$1,901,638	($56,286)
Revenue	$10,800,000	$10,962,000	$11,126,430
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000
Total Revenue	**$12,300,000**	**$12,462,000**	**$12,626,430**
Expenses	$12,827,511	$13,019,924	$13,215,223
Capital	$1,400,000	$1,400,000	$1,400,000
Total expenses	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($1,927,511)	($1,957,924)	($1,988,793)
Ending Reserves	**$1,901,638**	**($56,286)**	**($2,045,079)**

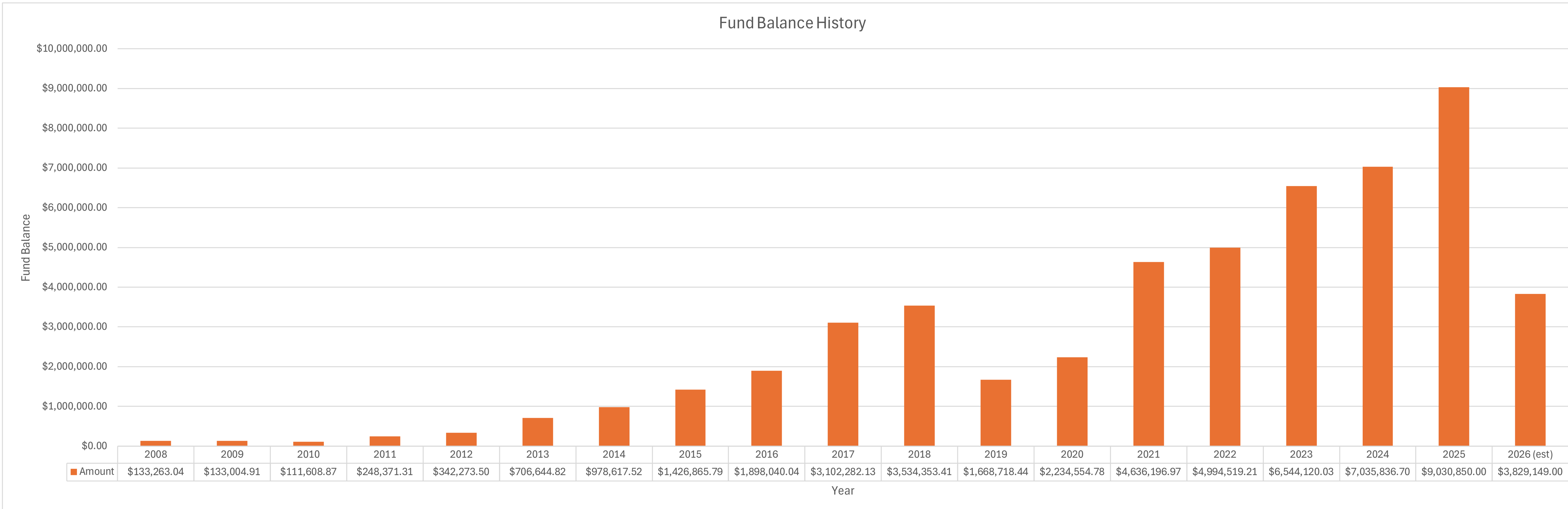
Scenario 2 No Amusement Tax and Reductions	2027	2028	2029	
Beginning Reserves	$3,829,149	$2,501,638	$1,293,714	
Revenue	$10,800,000	$10,962,000	$11,126,430	
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000	
Total Revenue	**$12,300,000**	**$12,462,000**	**$12,626,430**	
Expenses	$12,827,511	$13,019,924	$13,215,223	
Capital	$1,400,000	$1,400,000	$1,400,000	
Less: reductions directed by City Council	$0	$0	$0	You can input numbers
Total expenses after reductions	**$14,227,511**	**$14,419,924**	**$14,615,223**	
Surplus / (Deficit)	($1,927,511)	($1,957,924)	($1,988,793)	
Ending Reserves	**$1,901,638**	**$543,714**	**($695,079)**	

Scenario 3 Amusement Tax at 4.03% and No Reductions	2027	2028	2029
Beginning Reserves	$3,829,149	$3,029,638	$2,366,634
Revenue	$10,800,000	$10,962,000	$11,126,430
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000
Amusement Tax	$1,128,000	$1,294,920	$1,314,343
Total Revenue	**$13,428,000**	**$13,756,920**	**$13,940,773**
Expenses	$12,827,511	$13,019,924	$13,215,223
Capital	$1,400,000	$1,400,000	$1,400,000
Total expenses	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($799,511)	($663,004)	($674,450)
Ending Reserves	**$3,029,638**	**$2,366,634**	**$1,692,184**

Scenario 4 Amusement Tax at 4.03% and Reductions	2027	2028	2029	
Beginning Reserves	$3,829,149	$3,779,638	$3,866,634	
Revenue	$10,800,000	$10,962,000	$11,126,430	
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000	
Amusement Tax	$1,128,000	$1,294,920	$1,314,343	
Total Revenue	**$13,428,000**	**$13,756,920**	**$13,940,773**	
Expenses	$12,827,511	$13,019,924	$13,215,223	
Capital	$1,400,000	$1,400,000	$1,400,000	
Less: reductions directed by City Council	$0	$0	$0	You can input numbers
Total expenses after reductions	**$14,227,511**	**$14,419,924**	**$14,615,223**	
Surplus / (Deficit)	($799,511)	($663,004)	($674,450)	
Ending Reserves	**$3,029,638**	**$3,116,634**	**$3,192,184**	

Ending Fund Balance:

Year	Amount
2008	$133,263.04
2009	$133,004.91
2010	$111,608.87
2011	$248,371.31
2012	$342,273.50
2013	$706,644.82
2014	$978,617.52
2015	$1,426,865.79
2016	$1,898,040.04
2017	$3,102,282.13
2018	$3,534,353.41
2019	$1,668,718.44
2020	$2,234,554.78
2021	$4,636,196.97
2022	$4,994,519.21
2023	$6,544,120.03
2024	$7,035,836.70
2025	$9,030,850.00
2026 (est)	$3,829,149.00



Fund Balance Comparison

	Fund Balance	Expenditures	Percentage	
Salida	$4,231,281.00	$19,148,429.00	22.10%	2025
Idaho Springs	$278,000.00	$7,899,029.00	3.52%	2025
Woodland Park	$4,037,705.00	$14,365,296.00	28.11%	2025
Estes Park	$4,331,677.00	$32,642,561.00	13.27%	2024
Glenwood Springs	$6,782,596.00	$48,389,239.00	14.02%	2024
Manitou Springs	$3,829,149.00	$14,227,511.00	26.91%	2025

Scenarios for Budget Meeting on 8/15/2026

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Revenue	$10,800,000	$10,962,000	$11,126,430
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Capital	$1,400,000	$1,400,000	$1,400,000
Total expenses	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($1,927,511)	($1,957,924)	($1,988,793)
Ending Reserves	**$1,901,638**	**($56,286)**	**($2,045,079)**

Scenario 2 No Amusement Tax and Reductions	2027	2028	2029
Beginning Reserves	**$3,829,149**	**$1,901,638**	**($56,286)**
Revenue	$10,800,000	$10,962,000	$11,126,430
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000
Total Revenue	**$12,300,000**	**$12,462,000**	**$12,626,430**
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Less: reductions directed by City Council	$0	$0	$0
Total expenses after reductions	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($1,927,511)	($1,957,924)	($1,988,793)
Ending Reserves	**$1,901,638**	**($56,286)**	**($2,045,079)**

Scenario 3 Amusement Tax at 4.03% and No Reductions	2027	2028	2029
Beginning Reserves	**$3,829,149**	**$3,029,638**	**$2,366,634**
Revenue	$10,800,000	$10,962,000	$11,126,430
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000
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Capital	$1,400,000	$1,400,000	$1,400,000
Total expenses	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($799,511)	($663,004)	($674,450)
Ending Reserves	**$3,029,638**	**$2,366,634**	**$1,692,184**

Scenario 4 Amusement Tax at 4.03% and Reductions	2027	2028	2029
Beginning Reserves	**$3,829,149**	**$3,029,638**	**$2,366,634**
Revenue	$10,800,000	$10,962,000	$11,126,430
Parking and Mobility	$1,500,000	$1,500,000	$1,500,000
Amusement Tax	$1,128,000	$1,294,920	$1,314,343
Total Revenue	**$13,428,000**	**$13,756,920**	**$13,940,773**
Expenses	$12,827,511	$13,019,924	$13,215,223
Capital	$1,400,000	$1,400,000	$1,400,000
Less: reductions directed by City Council	$0	$0	$0
Total expenses after reductions	**$14,227,511**	**$14,419,924**	**$14,615,223**
Surplus / (Deficit)	($799,511)	($663,004)	($674,450)
Ending Reserves	**$3,029,638**	**$2,366,634**	**$1,692,184**

Scenario 1 — No Amusement Tax Increase (No Cuts vs. Balanced Budget)

If the voters reject a tax increase and if we fail to reduce our 2027 expenses, then our reserves would represent only **11.3%** of our annual expenses in 2027. If the city fails to reduce its expenses again in 2028, then by the end of 2028 we would use up all of our Reserves and be in the hole by (**-3.6%**).

	No Amusement Tax Increase	2026	2027	2028	2029
No Cuts	Beginning Reserves		3,717,831	1,604,812	-508,207
	Income		**12,114,492**	**12,114,492**	**12,114,492**
	Expenses	14,227,511	**14,227,511**	**14,227,511**	**14,227,511**
	Amount needed from Reserves		-2,113,019	-2,113,019	-2,113,019
	Ending Balance Reserve Account (no new tax)(no cuts)		1,604,812	-508,207	-2,621,226
	Percentage of Expenses in Reserves (no new taxes):		11.3%	-3.6%	-18.4%
Balanced	*If the tax increase does not pass what are the cuts required to balance the budget*		*-2,113,019*	*-2,113,019*	*-2,113,019*
	Income		***12,114,492***	***12,114,492***	***12,114,492***
	Expenses		***12,114,492***	***12,114,492***	***12,114,492***
	Balanced Budget Ending Balance Reserve Account (no new tax)		*3,717,831*	*3,717,831*	*3,717,831*
	Percentage of Expenses in Reserves (no new taxes):		30.7%	30.7%	30.7%

Scenario 2 — Amusement Tax Increase Passes (No Cuts vs. Balanced Budget)

The impact of the **4.03%** Amusement tax would increase income by **$1,128,400**. Without cuts, reserves will still decline to **19.2%** in 2027. Balancing the budget requires **$984,619** in cuts to keep reserves at **28.1%** .

	Amusement Tax Increase	2026	2027	2028	2029
No Cuts	**Beginning Reserves**		3,717,831	2,733,212	1,748,593
No Cuts	**Income**		**12,114,492**	**12,114,492**	**12,114,492**
No Cuts	**Amusement Tax Increase (4.03%)**		1,128,400	1,128,400	1,128,400
No Cuts	**Total Income with Amusement Tax Increase**		**13,242,892**	**13,242,892**	**13,242,892**
No Cuts	**Expenses**	14,227,511	**14,227,511**	**14,227,511**	**14,227,511**
No Cuts	*Amount needed from Reserves*		-984,619	-984,619	-984,619
No Cuts	**Ending Balance Reserve Account (new tax)(no cuts)**		**2,733,212**	**1,748,593**	**763,974**
No Cuts	Percentage of Expenses in Reserves (with new taxes):		19.2%	12.3%	5.4%
Balanced	*If the tax increase passes what cuts are required to balance the budget*		*-984,619*	*0*	*0*
Balanced	**Total Income with Amusement Tax Increase**		***13,242,892***	***13,242,892***	***13,242,892***
Balanced	**Expenses**		***13,242,892***	***13,242,892***	***13,242,892***
Balanced	**Balanced Budget Ending Balance Reserve Account (new tax)**		*3,717,831*	*3,717,831*	*3,717,831*
Balanced	Percentage of Expenses in Reserve (with new taxes):		28.1%	28.1%	28.1%

Scenario 3 — Incremental Spending Cuts with No Amusement Tax Increase

If we make incremental cuts of **$434,000** in 2027, this yields a 2027 ending reserve of **14.8% of our annual expenses ($2,038,812)**. If we also cut an additional $500,000 in 2028 & again in 2029, then our Reserves represent 6.5% of annual expenses for 20208 and 1.4% of our annual expenses at the end of 2029.

	Incremental cuts proposal & no amusement tax increase	2026	2027	2028	2029
Incremental	*Beginning Reserves*		*3,717,831*	*2,038,812*	*859,793*
	Income		***12,114,492***	***12,114,492***	***12,114,492***
	Expenses prior to cuts	14,227,511	*14,227,511*	*13,793,511*	*13,293,511*
	Incremental spending cuts		*-434,000*	*-500,000*	*-500,000*
	Expenses		***13,793,511***	***13,293,511***	***12,793,511***
	Amount needed from or added to Reserves		*-1,679,019*	*-1,179,019*	*-679.019*
	Ending Balance Reserve Account (incremental cuts & no new tax)		**2,038,812**	**859,793**	**180,774**
	Percentage of Expenses in Reserves (no new taxes):		14.8%	6.5%	1.4%

See staff memo

Scenario 4 — Incremental Spending Cuts with Amusement Tax Increase

If we cut expenses by **$750,000** in 2027 cuts, and $300,000 more cuts in 2028, and no additional in 2029, and if the tax is increased, then our Reserves would be **25.8% of our annual expenses ($3,483,212)** in 2027, and rising modestly thereafter in the 2028 and 2029 years.

Incremental

Incremental cuts proposal with Amusement tax increase	2026	2027	2028	2029
Beginning Reserves		3,717,831	3,483,212	3,548,593
Income		**12,114,492**	**12,114,492**	**12,114,492**
Amusement Tax Increase (4.03%)		1,128,400	1,128,400	1,128,400
Total Income with Amusement Tax Increase		**13,242,892**	**13,242,892**	**13,242,892**
Expenses prior to cuts	14,227,511	14,227,511	13,477,511	13,177,511
Incremental spending cuts		-750,000	-300,000	
Expenses		**13,477,511**	**13,177,511**	**13,177,511**
Amount needed from or added to Reserves		-234,619	65,381	65,381
Ending Balance Reserve Account (incremental cuts & new tax)		3,483,212	3,548,593	3,613,974
Percentage of Expenses in Reserves (new taxes):		25.8%	26.9%	27.4%

See staff memo

City of Manitou Springs Budget Survey

May 2026

Historic MANITOU SPRINGS
AT THE FOOT OF PIKES PEAK

Magellan Strategies
Your Trusted Survey Research Partner

Magellan Strategies is pleased to present the results of an online survey of 583 residents/business owners in the City of Manitou Springs. The survey data was collected using MMS text messaging methods, as well as a postcard distributed by the City. The interviews were conducted from April 23rd – May 18th, 2026.

The overall survey responses have a margin of error of +/- 3.78% at the 95% confidence interval.

The survey results were weighted to be representative of adult population demographics for the City of Manitou Springs.

Survey Objectives

Thinking now about the City of Manitou Springs budget...

The City of Manitou Springs' General Fund supports essential services such as police, fire and emergency services, street maintenance, parks and recreation, and city administration. The General Fund relies primarily on sales tax, along with property and amusement taxes, grants, Pikes Peak Rural Transportation Authority (PPRTA), and service fees. **Sales tax declined in 2025 and is expected to decline again in 2026**, in part due to Colorado Springs' approval of retail marijuana sales, which shifted shoppers and tax revenue away from Manitou Springs.

In response, the City has reduced its General Fund budget by **a little over $2 million over two years**—about $1.28 million from 2024 to 2025 and $729,000 from 2025 to 2026—through operating cuts and delayed capital investments, while prioritizing core and public safety services.

To balance the 2026 budget, the City is using **temporary strategies, not new ongoing revenue**. These include a $1.5 million transfer from the Mobility and Parking Fund for street maintenance and $1.754 million from reserves to support operations and priority projects. These measures have helped in the short term but are **not sustainable long term**.

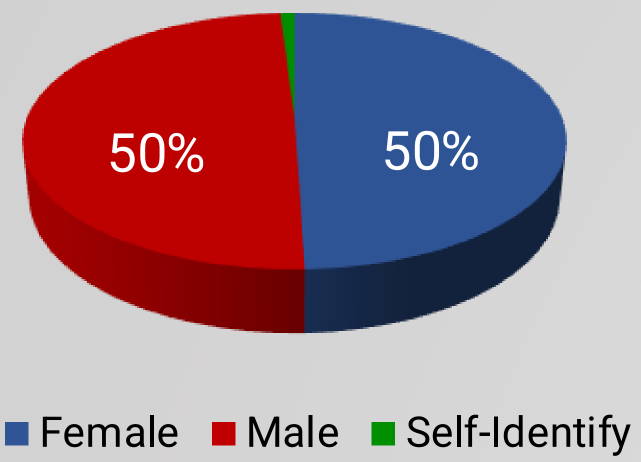
City Council has also set aside **$690,000 for fire mitigation** to reduce wildfire risk. With this additional expenditure to the budget, $2.44 million will be transferred from reserves. By the end of 2026, reserves are expected to total about **$6.4 million**, underscoring the importance of **long-term financial planning**.

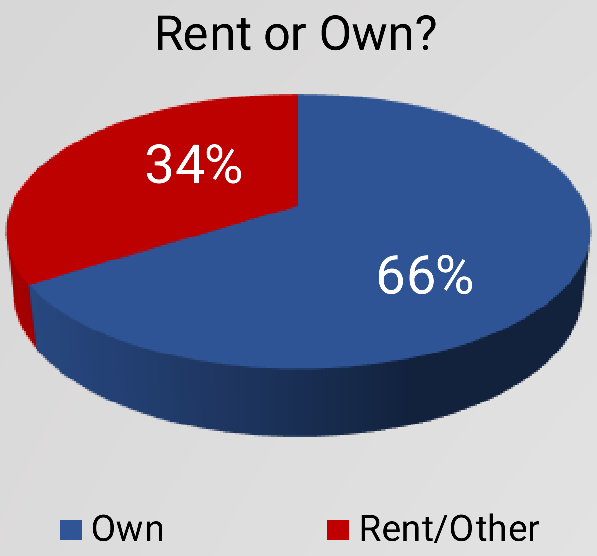
This survey is designed to inform and guide the development of the 2027 budget, and City Council is seeking public input to help guide sustainable, long-term solutions that support Manitou Springs' financial health, safety, and quality of life. If you would like to review the 2026 budget, click here https://city-manitou-springs-co-cleardoc.cleargov.com/19940/756565/d

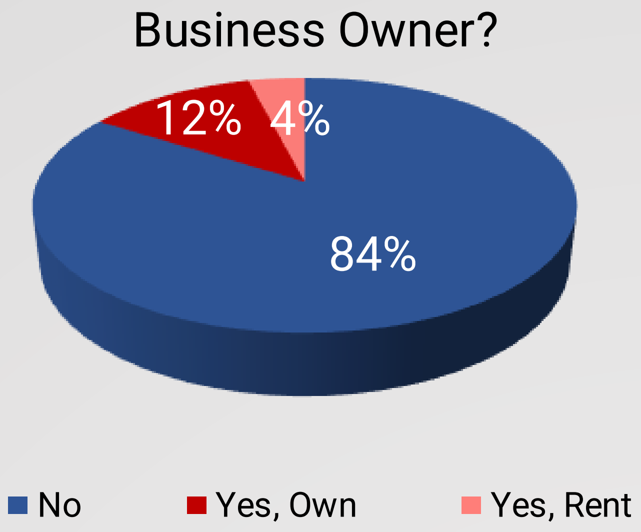
Historic
MANITOU
SPRINGS
AT THE FOOT OF PIKES PEAK

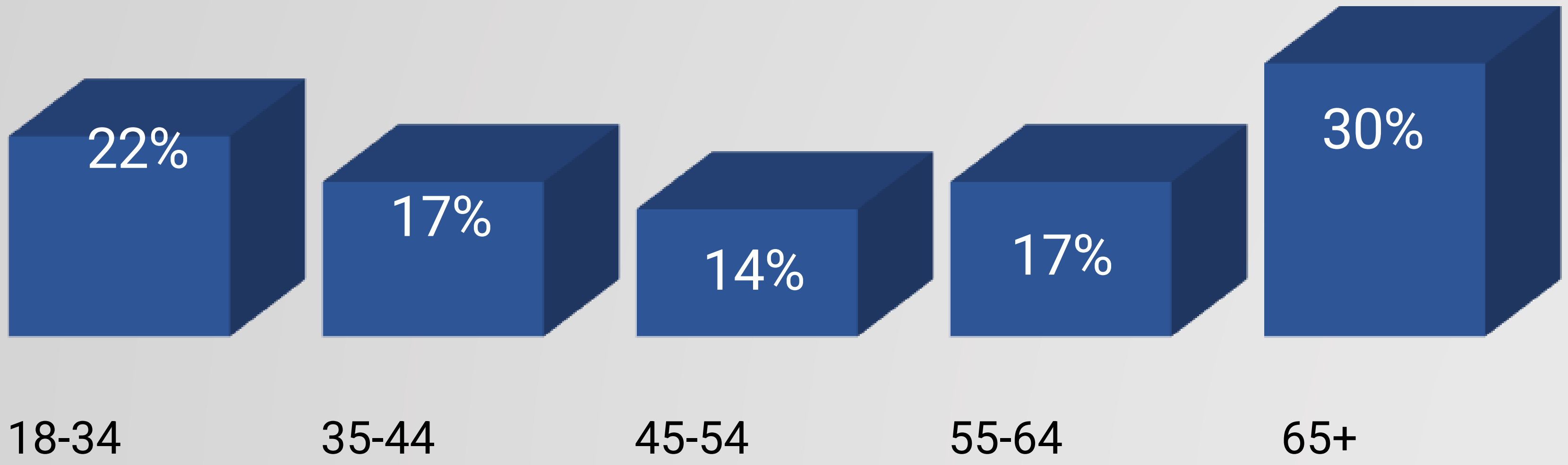
Survey Demographics

Survey Demographics

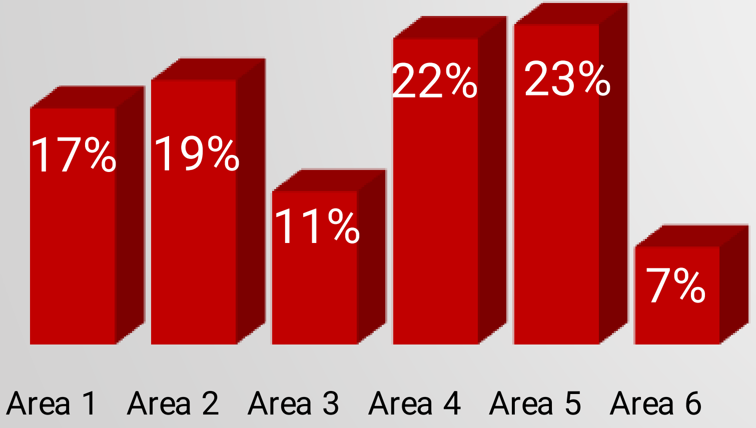


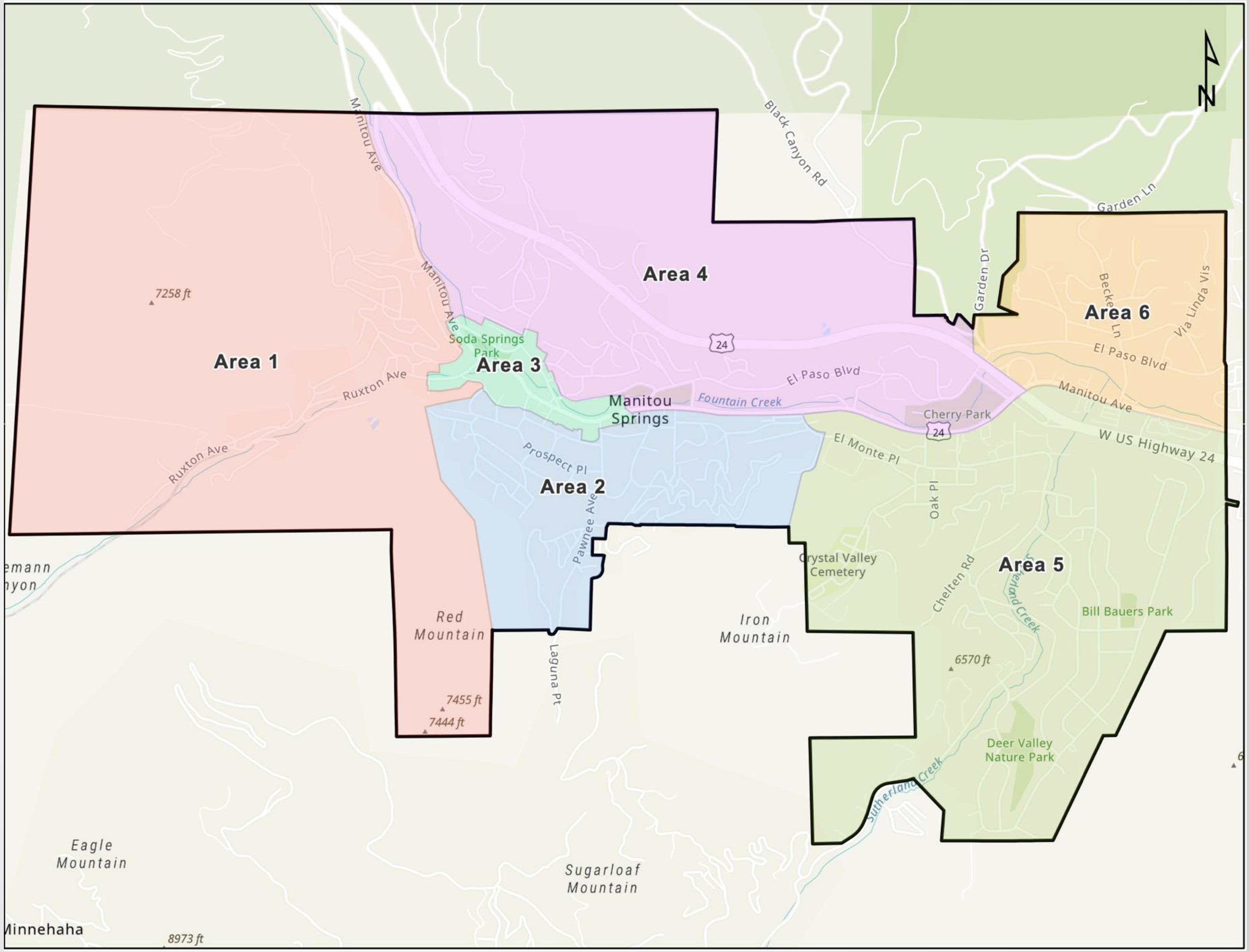






City of Manitou Springs Budget Survey Regions





Key Takeaways

Residents Strongly Prioritize Protecting Public Safety and Core Services: When asked where the City could reduce spending, residents overwhelmingly opposed cuts to Fire (88% oppose), Emergency Medical Services (81% oppose), Public Service functions such as roads and snow removal (77% oppose), and Parks (67% oppose). This indicates strong support for maintaining essential services and public safety even amid budget challenges.

Administrative Areas Are Viewed as the Most Acceptable Places for Budget Reductions: The departments receiving the greatest support for reductions were City Council (63% support reductions), Executive Administration (61%), Police (51%), Pool & Fitness Center (48%), Neighborhood Services (48%), and Planning (48%). Generally, residents appear more willing to reduce spending on administrative and governance-related functions than on frontline services.

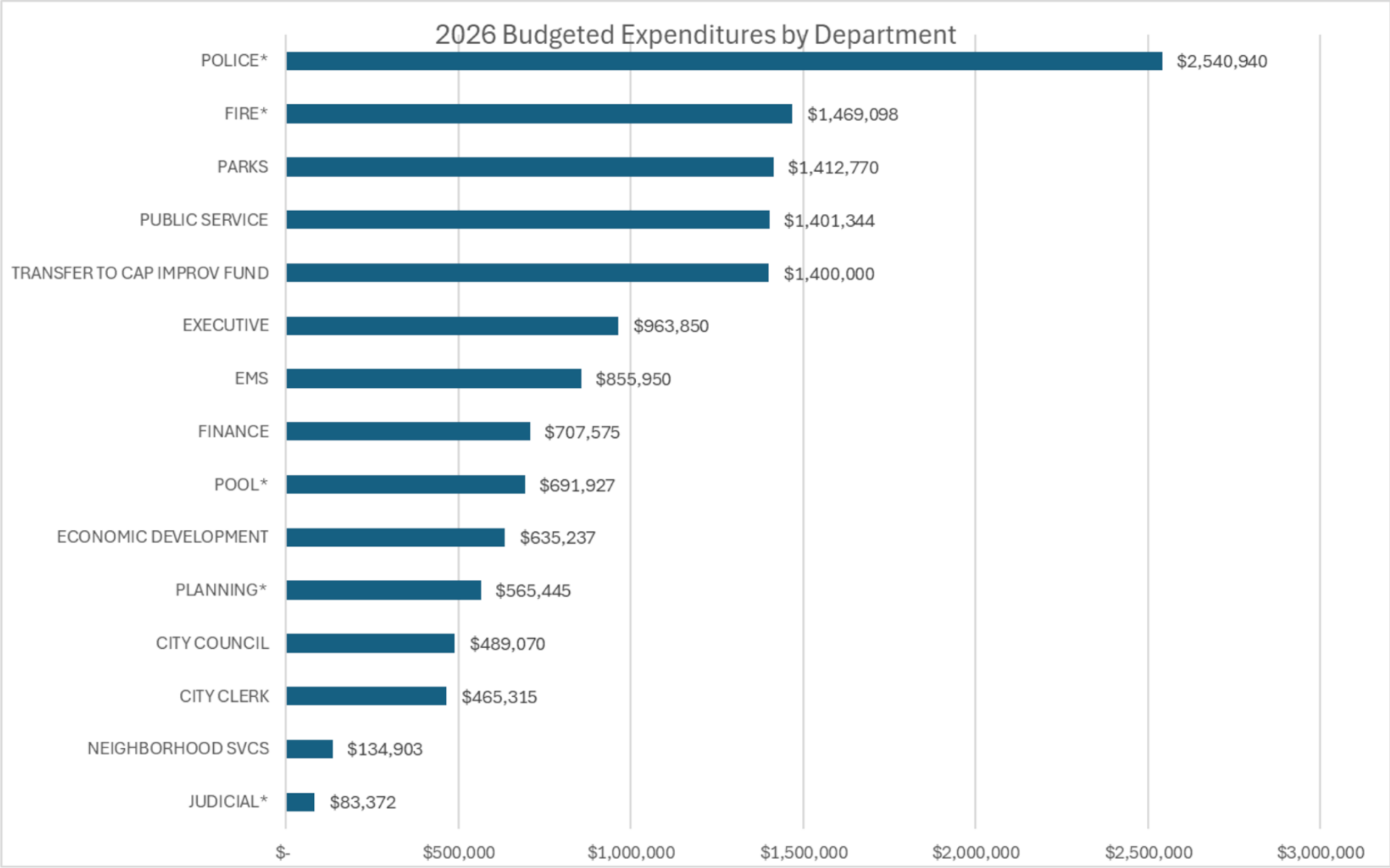
Key Takeaways

Residents Prefer Visitor-Based Taxes Over Resident-Based Taxes: There is strong support for increasing taxes paid primarily by visitors, including a Lodging Tax increase (69% support) and an Amusement Tax increase (67% support). In contrast, residents oppose increases to Sales Taxes (54% oppose) and especially Property Taxes (75% oppose). The survey's open-ended responses reinforced a desire to shift more of the financial burden to tourists rather than local residents.

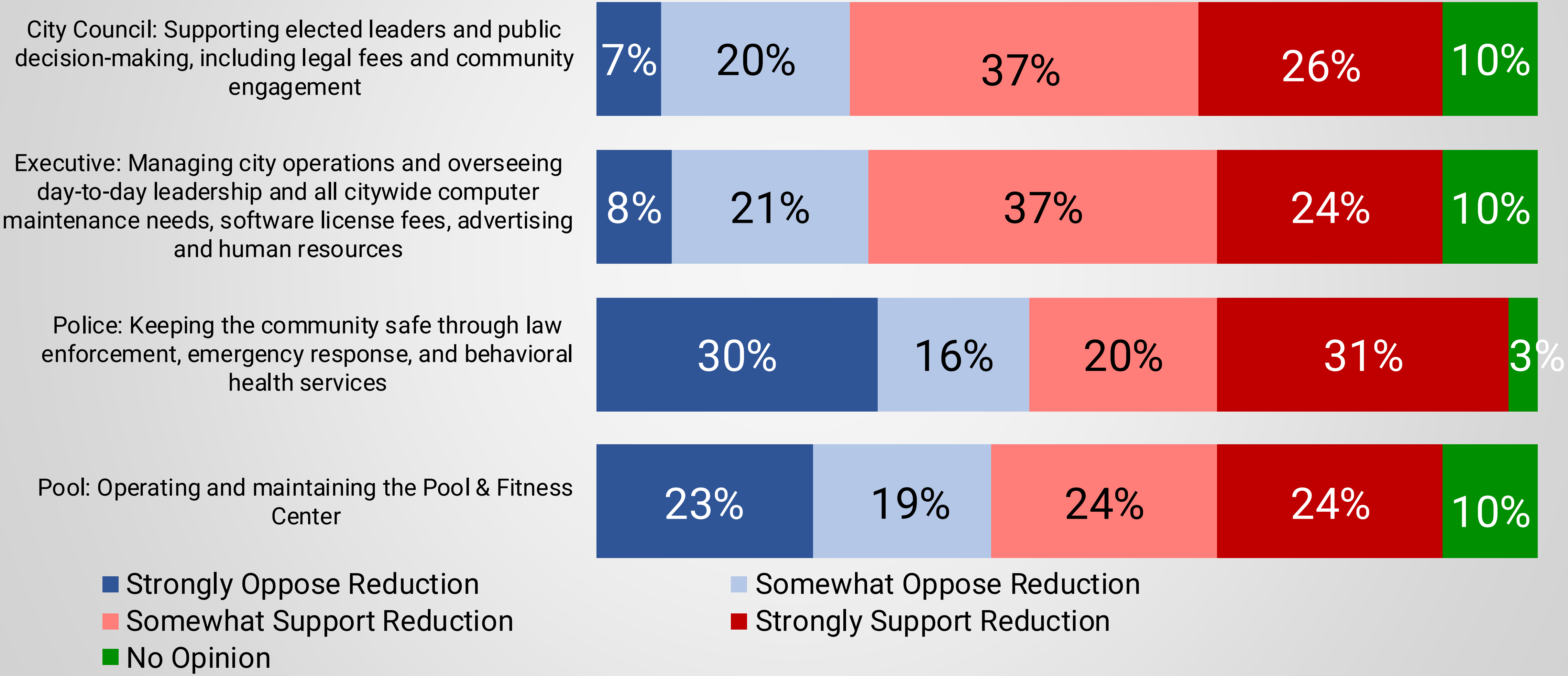
Fire Mitigation, Infrastructure, and Fiscal Discipline Are the Dominant Community Priorities: The most frequently cited priorities for the next three years were wildfire/fire mitigation, infrastructure maintenance (roads, utilities, sidewalks, drainage, parks, and core services), and better fiscal management. Many residents expressed concern that the City became too dependent on marijuana tax revenues and urged leaders to focus on spending discipline, transparency, and long-term financial sustainability before pursuing new taxes.

Bottom Line: Residents appear willing to make difficult budget choices, but they want City leaders to protect public safety and infrastructure, reduce administrative spending where possible, and rely as much as possible on tourism-related revenues rather than higher taxes on Manitou Springs residents.

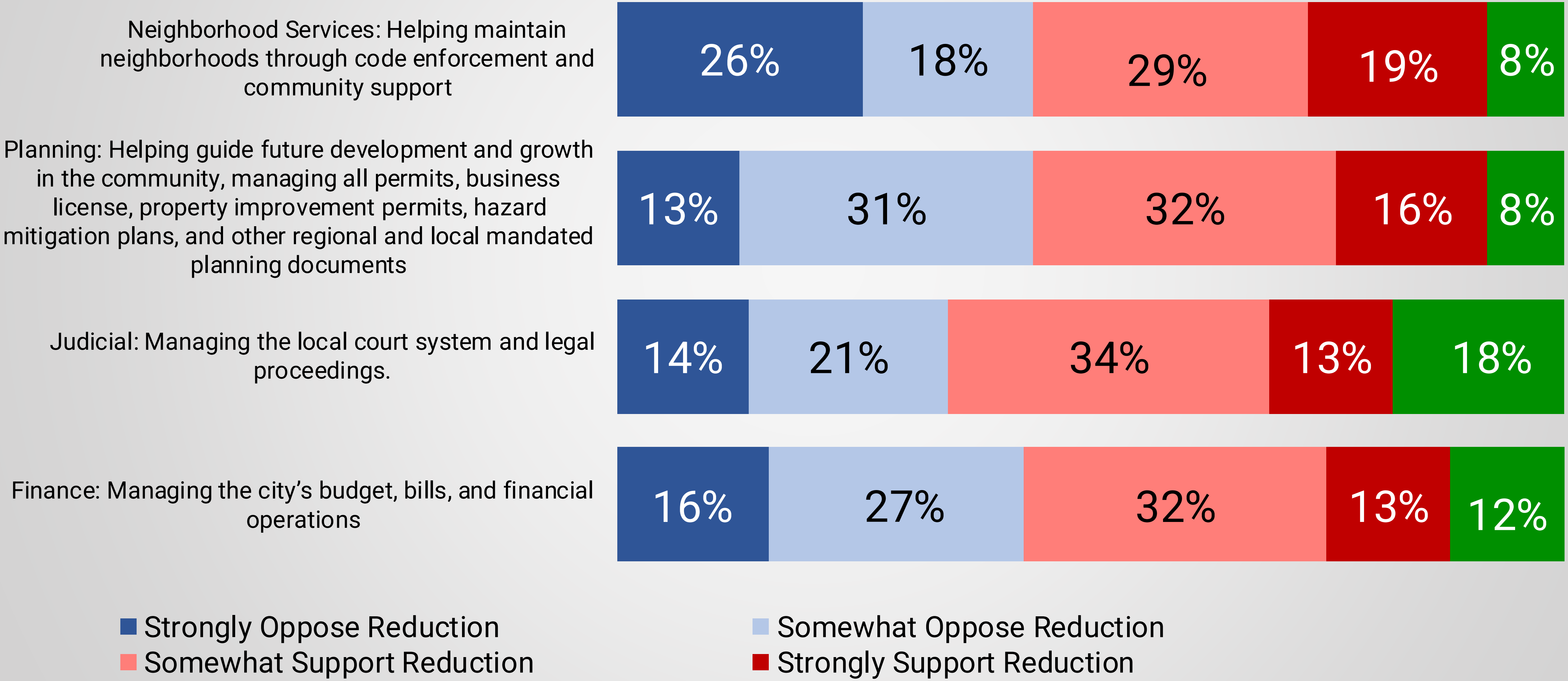
Budget Expenditures and Reductions



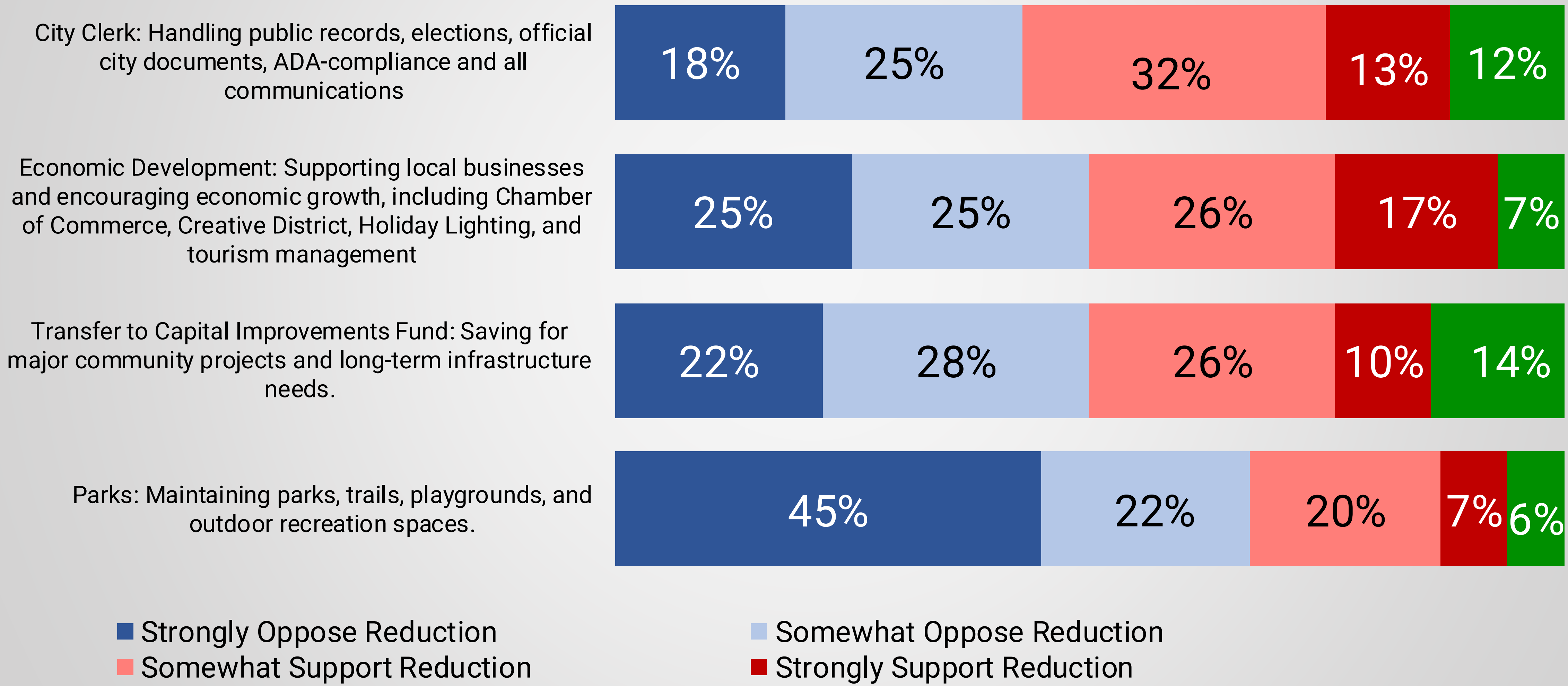
The chart shows how the City's General Fund budget is allocated, displaying 2026 Budgeted Expenditures by Department. With this information in mind, the City would like to gather resident opinion on items where the General Fund budget could be reduced, with a target reduction of approximately $2 million. For each item listed below, please indicate whether you would support or oppose reducing the budget specifically for that item.



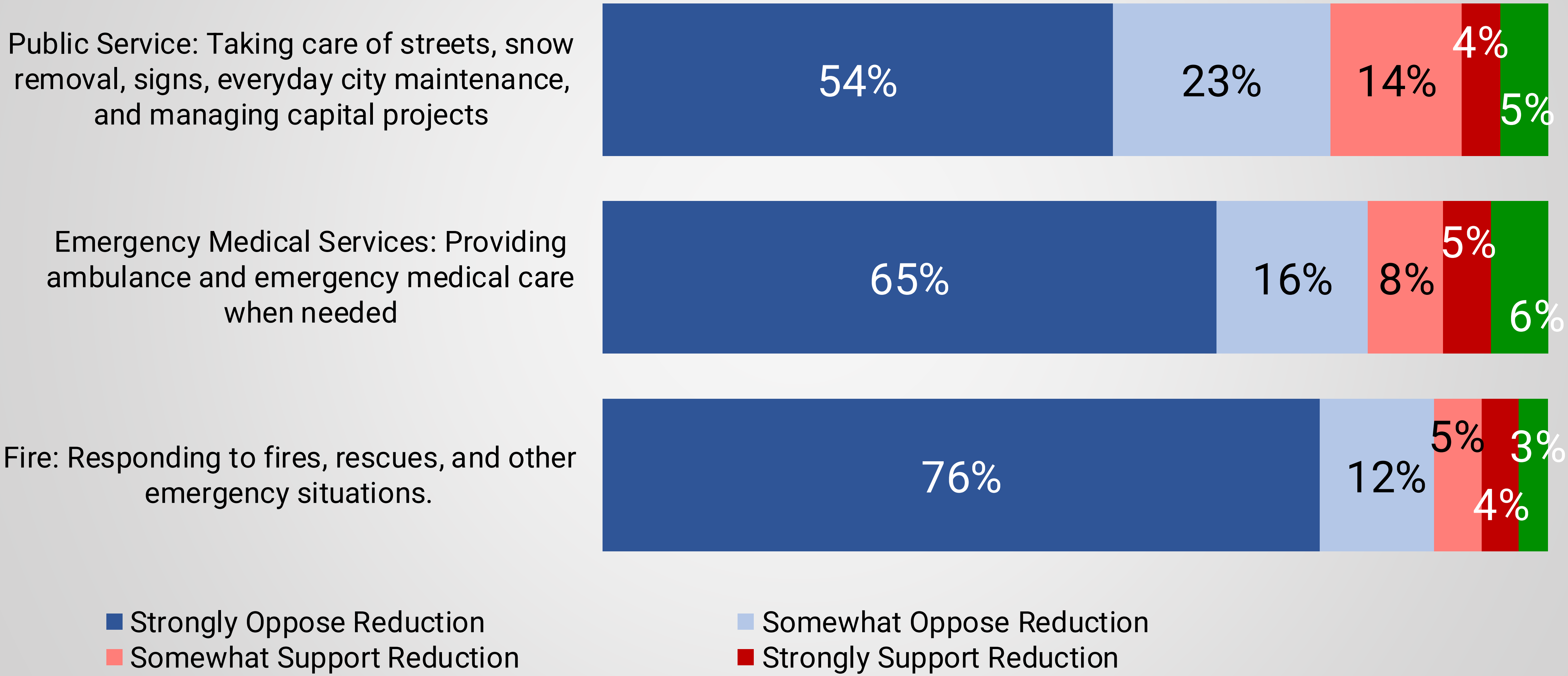
The chart shows how the City's General Fund budget is allocated, displaying 2026 Budgeted Expenditures by Department. With this information in mind, the City would like to gather resident opinion on items where the General Fund budget could be reduced, with a target reduction of approximately $2 million. For each item listed below, please indicate whether you would support or oppose reducing the budget specifically for that item.



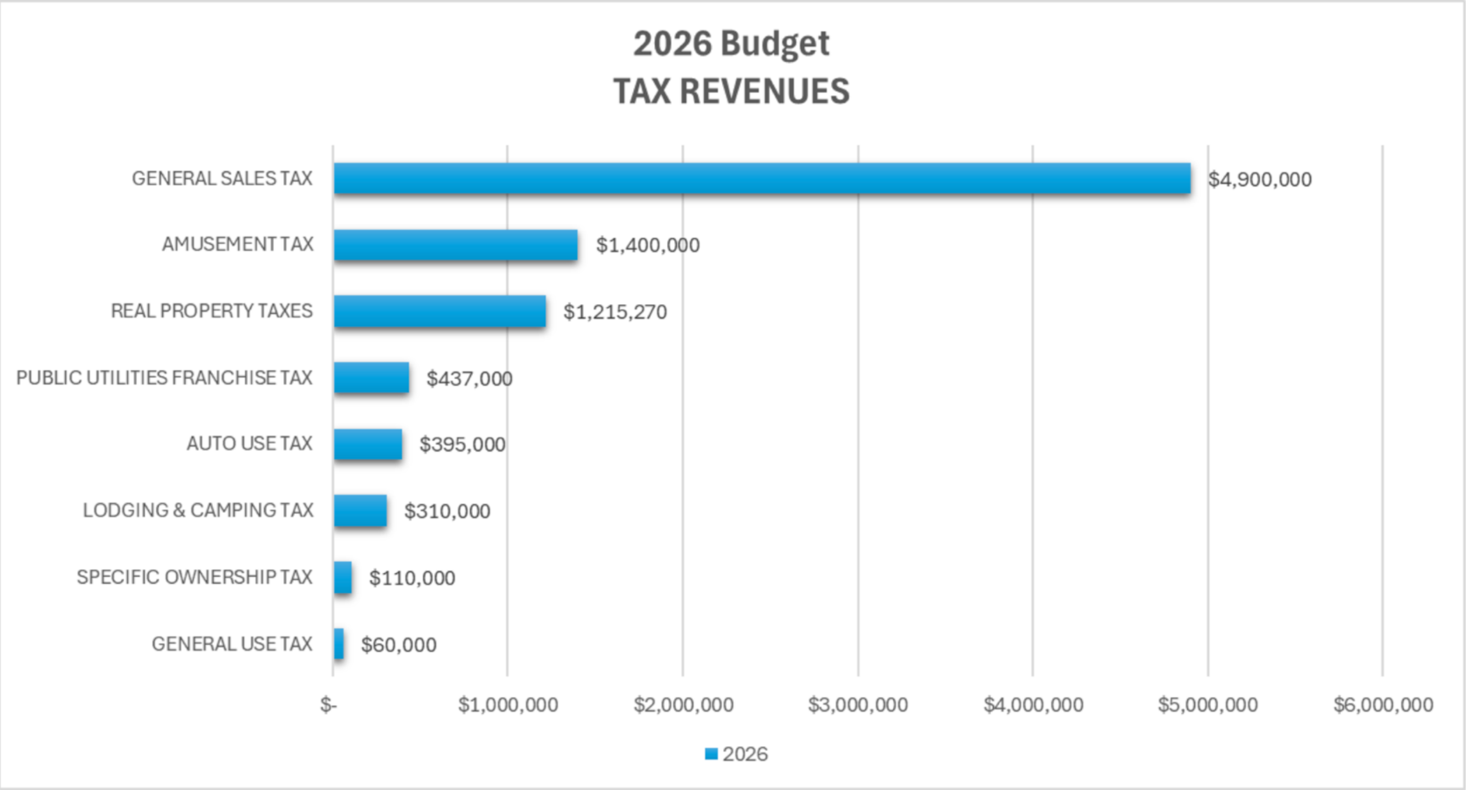
The chart shows how the City's General Fund budget is allocated, displaying 2026 Budgeted Expenditures by Department. With this information in mind, the City would like to gather resident opinion on items where the General Fund budget could be reduced, with a target reduction of approximately $2 million. For each item listed below, please indicate whether you would support or oppose reducing the budget specifically for that item.



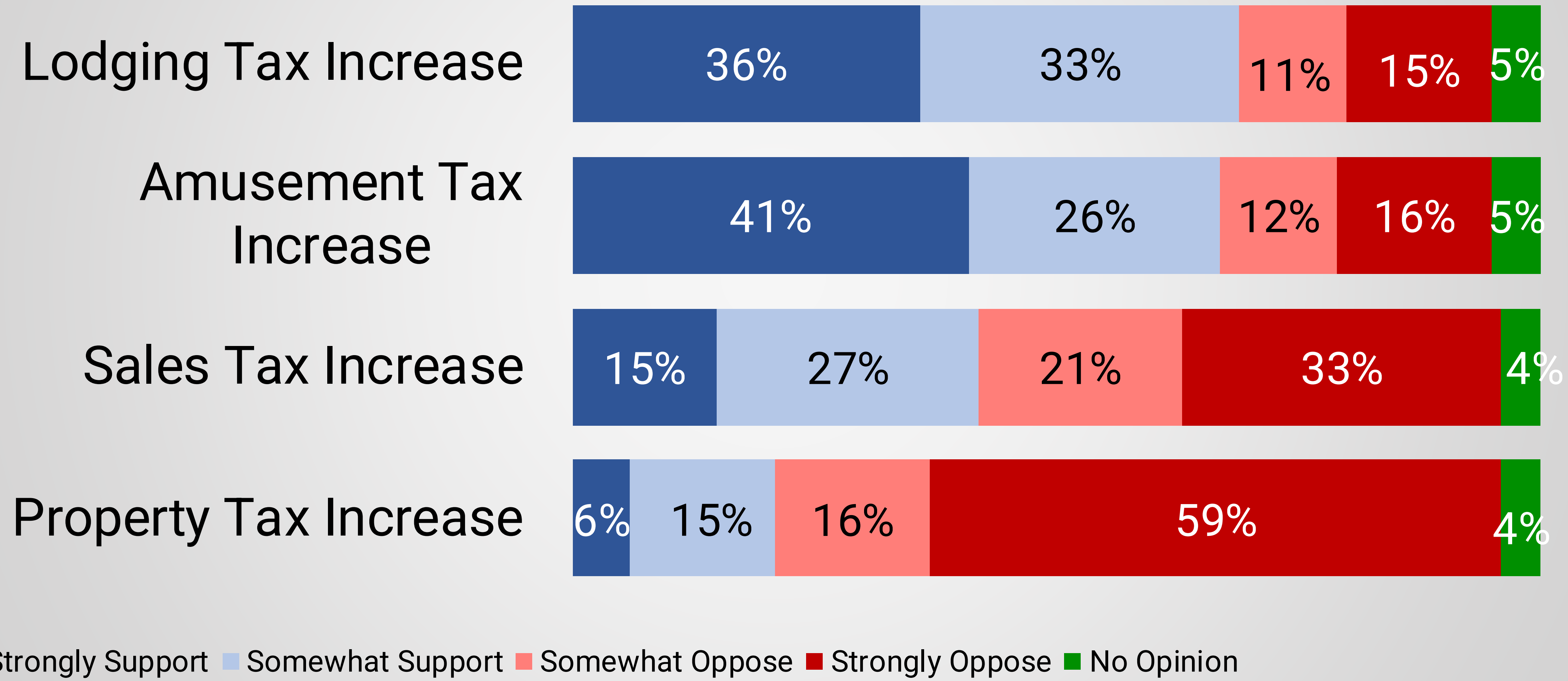
The chart shows how the City's General Fund budget is allocated, displaying 2026 Budgeted Expenditures by Department. With this information in mind, the City would like to gather resident opinion on items where the General Fund budget could be reduced, with a target reduction of approximately $2 million. For each item listed below, please indicate whether you would support or oppose reducing the budget specifically for that item.



Tax Revenues



The chart shows the tax revenues from the City's 2026 budget. As you know, one potential solution to the sustained decline in sales tax revenue would be to consider asking voters to approve a tax increase. Knowing this, generally speaking, would you support or oppose the following tax increases to help maintain basic services in Manitou Springs?



Top Issues or Priorities

Please describe the top issues or priorities that you think the City of Manitou Springs should address in the next three years.

Fire Mitigation: The single most consistent priority across responses was wildfire/fire mitigation. Residents repeatedly referenced wildfire preparedness, vegetation management, evacuation readiness, infrastructure resilience, and maintaining strong emergency services. Key sentiments included protecting neighborhoods and open space from fire risk, maintaining services, disaster preparedness and infrastructure resilience.

Infrastructure Maintenance & Core Services: A major theme focused on maintaining and improving basic infrastructure and essential city services rather than launching new projects. Residents frequently mentioned water and sewer infrastructure, roads, sidewalks, snow removal, drainage, street repair and utility maintenance, maintaining parks, trails, and public spaces. Many respondents emphasized avoiding deferred maintenance and focusing on “core functions” before pursuing beautification or expansion projects.

Please describe the top issues or priorities that you think the City of Manitou Springs should address in the next three years.

Budget Management, Spending Concerns & Taxes: Many responses reflected frustration about fiscal management and concern over rising taxes and city spending. Common concerns included cutting spending and reducing bureaucracy, opposition to additional property tax increases, questions about how marijuana tax revenue was spent, and calls for greater transparency and accountability. A recurring sentiment was that the City should focus on fiscal discipline before raising taxes on residents.

Parking, Tourism & Economic Development: Parking and tourism-related concerns formed another dominant theme, often tied directly to economic vitality. Residents discussed issues such as: high parking fees discouraging visitors, a need for more resident-friendly parking policies, calls for parking garages or expanded parking capacity, tourism promotion during the off-season, supporting local businesses and filling vacant storefronts, and generating new sustainable revenue streams tied to visitors rather than residents. Many respondents stressed the importance of balancing tourism with quality of life for residents.

Historic MANITOU SPRINGS

AT THE FOOT OF PIKES PEAK

Final Thoughts

Are there any final thoughts you would like to share with the City of Manitou Springs about the city's budget, potential reductions, or potential tax increases?

Strong Opposition to Additional Property Taxes / Desire to Protect Residents: The most common theme was concern that residents — especially retirees and fixed-income homeowners — are already financially stretched and should not bear additional tax burdens. Many Residents are already struggling with high housing costs and recent increases, and several argued that Manitou's taxes are already among the highest in Colorado.

Belief the City Became Too Dependent on Marijuana Tax Revenue: A recurring narrative was frustration that the City did not better prepare for the decline in marijuana revenue once recreational sales expanded into Colorado Springs. There are calls to return to budgeting practices from before the marijuana windfall, and many question where the marijuana revenue went and why reserves were not built up.

Are there any final thoughts you would like to share with the City of Manitou Springs about the city’s budget, potential reductions, or potential tax increases?

Shift More Financial Burden Toward Tourists, Visitors, and Businesses: Many respondents supported finding ways for visitors — rather than residents — to contribute more toward city revenues. Frequently suggested ideas include: increase in lodging taxes, increase in amusement taxes, increase in STR/Airbnb taxes, Incline hiking fees and other tourism-related fees. These respondents emphasized that tourists create wear-and-tear on infrastructure and drive service demand, and that residents should not subsidize visitor impacts. At the same time, some respondents warned that taxes should not become so high that they discourage tourism or hurt local businesses.

Calls for Spending Cuts, Government Efficiency, and Refocusing on Core Services: Another theme was the belief that the City should reduce spending before seeking additional taxes. Residents repeatedly emphasized focusing on essentials like fire mitigation, roads, EMS, infrastructure, snow removal, parks maintenance, and public safety.

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CONFLUENCE POLICY & STRATEGY GROUP

CITY OF MANITOU SPRINGS

Budget Community Engagement Report

Community Input on Budget Priorities, Expenditure Decisions, and Revenue Options

Engagement Dates: June 11 & 13, 2026

Report Prepared by: Confluence Policy and Strategy Group

Prepared for: City of Manitou Springs — City Council and Senior Staff

Date of Report: June 2026

Confluence Policy & Strategy Group

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Contents

A Note on Process and Neutrality

Confluence Policy and Strategy Group was engaged by the City of Manitou Springs as an independent outside facilitator to design and lead a community engagement process on the City's budget. Confluence's role was to create conditions for authentic, informed community input and to report that input accurately and without editorial advocacy. This report reflects what participants said and not the policy recommendations of Confluence or its staff.

Where input was contributed by a City Council member who was present at one of the in-person sessions, that is noted as such in the relevant section of this report. Council member input is included because it was offered in the context of a community engagement session and is part of the factual record of what was discussed. It is identified separately because it represents a distinct lens from that of general public participants.

All findings in this report are drawn from the community survey conducted by the City of Manitou Springs, transcripts of the two in-person engagement sessions, notes from the sessions, and written worksheet responses submitted by participants. Factual claims about department operations, budget figures, and comparable municipalities reflect information presented by City staff during the sessions or raised by participants during discussion. Readers seeking verification of specific figures should consult the City's published budget documents.

Executive Summary

In spring and early summer 2026, the City of Manitou Springs conducted a multi-phase community engagement process to gather resident and business owner input on the City's budget shortfall, expenditure priorities, and potential revenue options. The process included a community survey that generated more than 500 responses, followed by two facilitated in-person engagement sessions held on June 11 and June 13, 2026.

Confluence Policy and Strategy Group facilitated both in-person sessions. Attendance was smaller than projected, with approximately 12 participants on June 11 and fewer than 10 on June 13. Attendance was substantially below the 60 to 100 participants anticipated, but those who came were highly engaged, prepared, and in several cases knowledgeable about the City's budget in detail. This report treats the survey and the in-person sessions as complementary sources of input: the survey provided breadth across a wide cross-section of community members, while the in-person sessions produced depth through direct dialogue with City staff, the ability to ask clarifying questions, and extended deliberation across expense and revenue categories.

What We Heard on Expenses

Across both sessions and the written worksheets, participants were largely consistent: public safety departments, including fire, EMS, and police, should be protected from reductions, with EMS outsourcing specifically and repeatedly rejected once response-time data was presented. Citizen services, including parks, recreation, and the pool, were identified as important to community quality of life, with no support for closing the pool and instead a range of constructive partnership and revenue ideas proposed. City Administration was seen as already lean, with Finance specifically flagged as too thin for further reductions. Growth and Planning generated the most debate, centered on planning department staffing levels and the City's investment in economic development and tourism promotion.

The Pivot: Reductions Are Necessary but Not Sufficient

After working through each expense category against actual department data, both sessions arrived at the same conclusion independently: the City cannot close its budget gap through service reductions alone. Participants acknowledged that identifying savings of $30,000 or $40,000 or even $100,000 in individual line items is part of responsible budgeting, but that incremental reductions do not constitute the structural reform the situation requires. Participants pointed to similarly situated destination communities, including Estes Park, as examples of cities that have been more deliberate about aligning fee structures with the actual cost of delivering services and amenities, particularly to visitors. This conclusion framed the revenue conversation that followed in both sessions.

What We Heard on Revenue

There was strong, near-unanimous support across both sessions for shifting a greater share of the financial burden to visitors and tourists rather than residents. The two mechanisms with the most support were a lodging tax increase, with participants noting that Manitou's rate of approximately 11 percent compares unfavorably to Woodland Park's 14.1 percent, and an amusement tax increase, with participants noting the current 5 percent excise rate has not changed since 1973 and is now roughly half the City's sales tax rate. Multiple participants independently described revisiting the amusement tax as overdue. Both were discussed with the understanding that the unresolved Cog Railway litigation is a factor the City will need to weigh in timing any amusement tax action.

Opposition to a property tax increase was near-unanimous, with the school district bond cited repeatedly as having exhausted residents' capacity. Sales tax drew more ambivalence, with a sunset provision linked to a specific revenue target raised as a way to make any increase more acceptable.

Participants also asked the City to examine its full fee schedule, from planning and permitting to recreational access, and to explore whether there should be a citywide or department-by-department goal for cost recovery through fees. This was raised as an exploratory question rather than a demand for a specific number.

Notable New Ideas

Several ideas emerged from the in-person sessions that were not anticipated in the original engagement design: a non-resident fee for Incline access, which drew near-unanimous support; a tax on private commercial parking lots generating significant income; expanded special event fees and cost recovery; a vacancy tax on long-empty storefronts; and a review of the lodging tax allocation to economic development, which one Council member present at the Saturday session noted is established by city ordinance rather than state statute and could therefore be revisited by Council. Participants across both sessions also asked whether the City's investment in tourism promotion through the Chamber of Commerce continues to reflect the City's current priorities given the budget situation.

What Comes Next

This report represents the community input gathered through both phases of the engagement process. The written worksheet responses submitted by participants are included verbatim in Appendix B. A more detailed written report and, where applicable, a verbal summary to City Council will follow. The findings in this report are intended to inform Council deliberation and should be read alongside the City's own financial analysis and staff recommendations.

Section 1: About the Engagement

The Community Survey

The City of Manitou Springs conducted a community survey in advance of the in-person engagement sessions. The survey generated more than 500 responses, providing a broad cross-section of community views on budget priorities, service preferences, and revenue options. The survey results informed the design of the in-person sessions and are referenced throughout this report where they provide relevant context for what was heard in person.

As with any survey, the format has inherent limitations. Respondents answered based on information available to them at the time, without the opportunity to ask clarifying questions, hear from City staff, or engage with other community members. Several themes that emerged strongly in the survey's open-ended responses, including frustration with how prior cannabis tax revenues were managed and calls to reduce the police budget, were substantially less prominent in the in-person sessions. This is addressed in Section 5 of this report.

The In-Person Sessions

Two in-person community engagement sessions were held at [VENUE], Manitou Springs, on June 11 and June 13, 2026. Both sessions were open to the public and followed the same general agenda: a presentation by City staff on the budget and departmental data, a brief clarifying-question period, and then a series of facilitated table discussions using structured worksheets across five topic areas, covering four expense categories and a revenue and fees discussion.

Attendance was lower than projected. Approximately 12 participants attended the June 11 session; fewer than 10 attended the June 13 session. Both sessions included City staff who presented data and answered factual questions. Four City Council members attended one or both sessions in an observer capacity. On June 13, given the smaller attendance, the format was adjusted: rather than separate table rotations, all participants joined a single combined conversation. This format produced extended, cross-cutting dialogue and generated some of the most substantive input of the full engagement process. The format shift reflected Denise Simpson's and her team's responsiveness to the conditions in the room.

On June 13, Council members were asked to observe from a table adjacent to but separate from the participant discussion, consistent with standard practice in facilitated community engagement to preserve the candor of participant input. Two Council members initially sat at a participant table. Following the facilitator's explanation of that seating arrangement at the start of the session, the seating was adjusted. One Council member participated in the discussion at several points during the session; that input is identified as such in the relevant sections of this report.

How to Read This Report

The survey and the in-person sessions are treated as complementary sources of input throughout this report. The survey provided breadth: a large number of responses from a wide range of community members, capturing views without the benefit of detailed budget information or dialogue. The in-person sessions provided depth: a smaller number of participants who spent two to three hours engaging with actual departmental data, asking clarifying questions of City staff, and deliberating across budget categories before arriving at conclusions. Neither source is treated as more authoritative than the other; together they offer a more complete picture than either would alone.

Where the two sources diverge in meaningful ways, this report notes that divergence and offers context for understanding it. Section 5 addresses the survey-to-in-person comparison directly.

Section 2: What We Heard — Expense Categories

Following the City's budget presentation, participants engaged in structured table discussions on four expense categories. The discussion questions for each category are included in Appendix A. What follows is a synthesis of what was heard across both sessions and the written worksheets submitted by participants. Verbatim worksheet responses are in Appendix B.

Safety: EMS, Fire, Fire Mitigation, Police

Public safety was the expense category with the clearest and most consistent consensus across both sessions and the written worksheets. The dominant response to questions about protecting departments and staffing was unambiguous: fire, EMS, and police should not face reductions. Several participants said simply that cuts in this category risked loss of life, and the theme of public safety as the irreducible core of municipal responsibility ran through both sessions.

The sharpest conversation in this category was about EMS. When City staff presented the response-time data comparing in-house EMS to the previously contracted arrangement with AMR, participant reaction was decisive. In-house response times of 3 to 10 minutes against the historical contracted range of 10 to 40 minutes made outsourcing, to virtually everyone in both rooms, a non-starter. One participant shared that a family member's life had been saved by a two-minute EMS response, a moment that anchored the conversation in the room and foreclosed further debate. Written worksheet responses were consistent: EMS outsourcing was rejected across the board, and where any conditions were noted, they were limited to scenarios such as a contracted provider stationing vehicles in town, which essentially replicates the in-house model.

Police staffing was framed not as an area for reductions but as a recruitment and retention challenge. Participants understood that the department is budgeted for 17 sworn officers and currently operating with 14, and the discussion turned naturally to compensation and the pending compensation study rather than to whether the department is appropriately sized. A participant raised concern about traffic enforcement, and several others asked questions about regional consolidation or cost-sharing with other jurisdictions, framed as something worth understanding rather than as a recommendation.

On fire mitigation, several participants expressed strong support and connected it directly to personal experience with fire risk in the area, referencing low snowpack, dead trees, and proximity to wildland-urban interface terrain. The $700,000 fire mitigation budget figure prompted questions from a small number of participants about what specifically it covers, including whether it includes neighborhood chipper programs, which were mentioned favorably.

Revenue ideas raised in this category included Incline search-and-rescue cost-sharing with Colorado Springs, which several participants noted provides a free amenity to Colorado Springs residents while Manitou bears the cost of rescues. Photo enforcement and jaywalking citations were also raised, with the jaywalking idea specifically framed as cost recovery for pedestrian safety infrastructure the City has already funded. Special event cost recovery was mentioned by multiple participants. The Coffin Races came up, with one participant noting that Estes Park charges admission for its comparable Frozen Dead Guy Festival.

> *Note: The Incline and the land it occupies are owned by the City of Colorado Springs. Several participants raised questions about cost-sharing for search-and-rescue on that terrain. This is included as a participant-raised idea for further exploration, not a verified policy option.*

Citizen Services: Public Services, Parks & Recreation, Pool

Parks, recreation, and public services were widely seen as central to both community quality of life and the City's appeal to visitors, and the general direction was toward protection rather than reduction. The pool received the most attention of any single item in this category.

In contrast to the community survey, where a minority of open-ended respondents suggested closing the pool, no participant in either in-person session advocated for closure. The pool was described repeatedly as a community anchor, a resource for youth, and something that distinguishes Manitou from neighboring communities. When the fixed-cost structure of the pool was explained, including that meaningful savings require significantly reduced operations or full closure and that closure of a facility of this age is effectively permanent, the response was not to accept closure but to generate ideas for making the pool financially more sustainable. Ideas included exploring a partnership with the D-14 school district's bond board, negotiating a fee arrangement with the high school swim team, a Kiwanis-style sponsorship model for low-income access, exploring YMCA-style management similar to the Colorado Springs model, and reallocating parking revenue from the lot adjacent to the pool back to pool operations. Several participants also noted that the pool's fee structure, when compared to private fitness options like Planet Fitness, may be pricing some residents out of use.

On downtown beautification, trash collection, and snow removal, views were mixed but nuanced. Snow removal and trash collection were broadly seen as non-negotiable on service quality grounds. Flower beds and seasonal plantings drew more flexibility, with several participants suggesting perennial plantings or native wildflowers as a way to reduce replacement costs without eliminating visual appeal. The idea of a volunteer Citizens Corps to assist with some maintenance work was raised. Several participants asked whether the Business Improvement District contributes to or could contribute more to downtown beautification costs.

Outsourcing in this category generated discussion primarily around snow removal and pool management. Both were treated as options to explore rather than commitments, and participants consistently asked what the cost comparison would look like before endorsing any specific approach. A creative suggestion: using parking citation community service hours to supplement parks and public works labor.

Senior services were mentioned by at least one participant as a quality-of-life priority that should not be overlooked in the broader conversation about recreation and public services.

City Administration: Executive, Judicial, City Clerk, Finance, City Council

This category generated the strongest consensus around a single characterization: the City is already operating with minimal administrative staff, and there is limited room for further reduction without affecting the City's ability to function. Finance, operating with 3.5 FTE, was specifically cited in multiple worksheet responses as a floor below which further cuts would be risky. City Clerk and judicial functions were widely seen as legally required and appropriately staffed.

The concept of churn budgeting, that is, budgeting to realistic expected staffing levels rather than full headcount to reflect normal vacancy and turnover rates, was raised as a way to identify additional budget flexibility without making permanent structural reductions. This was received positively and was noted as something the City could explore.

The City Council legal budget drew notable attention. Participants in both sessions flagged this line item, with some asking directly whether the ongoing COG litigation was driving legal expenses and whether resolution of that matter would free up budget capacity. This is reflected in at least one worksheet response that linked reducing the Council legal budget to settling the COG lawsuit. The facilitator redirected questions about the specific nature of legal expenses to City staff, consistent with guidance that certain legal matters were not appropriate for public discussion in this forum.

The possibility of outsourcing administrative functions, including HR, payroll, and finance, was raised but generally rejected. Participants who addressed this point noted that the City's own experience with insourcing services that were previously outsourced suggests that outsourcing is not reliably less expensive for the same level of service. One Council member present at the session raised this point directly and noted that prior comparisons showed insourcing had produced savings, not costs. This input is included as it was offered in the context of the session discussion.

A theme that emerged in this category and was reflected in multiple worksheet responses was the value of continued transparency. Participants expressed appreciation for the level of detail City staff had provided, and several specifically named the newsletter and public communications function as something they valued and did not want reduced.

Growth & Planning: Neighborhood Services, Planning, Economic Development

This category generated the most debate of the four expense categories, centered on two questions: the appropriate size of the planning department given Manitou's development context, and the appropriate level and structure of the City's investment in economic development and tourism promotion.

On planning, participants understood that the department has transitioned from 4.5 to 4 FTE and that further reductions would extend permit processing timelines. Several worksheet responses suggested reducing to 3 FTE, and others suggested the department is appropriately sized for the volume of work. The conversation was informed by a participant's observation that Manitou's development context differs from higher-growth municipalities, raising the question of whether planning staff levels are calibrated to current conditions. At least one response flagged what was seen as a heavy reliance on consultants and special projects in this category.

Economic development and the City's relationship with the Chamber of Commerce generated the most pointed conversation. The City allocates lodging tax revenue to economic development, which in practice primarily funds the Chamber of Commerce and visitor center, holiday lighting, and related tourism promotion. Several participants questioned whether this allocation reflects current priorities, whether the Chamber's staffing and operations represent the best use of those dollars, and whether member businesses could or should bear more of the cost of business promotion. Notably, this conversation did not split neatly along pro- and anti-business lines: participants who described tourism as the lifeblood of Manitou also asked pointed questions about what specifically the Chamber investment produces and how it compares to similar allocations in other communities.

A Council member present at the Saturday session raised the question of whether the lodging tax allocation to economic development, established by city ordinance rather than state statute, could be revisited by Council. This is noted here as Council member input. Several other participants also raised the question in their own terms, asking why lodging tax revenue is not available to the general fund and suggesting that the ordinance-based allocation warrants reexamination given the budget situation.

New ideas raised in this category included a vacancy tax on commercial properties that have been empty for an extended period, which drew support across both sessions and multiple worksheet responses, and a potential property tax waiver or incentive for new businesses, framed as a tool to diversify the downtown economy beyond the current concentration of bars, T-shirt shops, and ice cream. The holiday lighting budget, specifically the approximately $85,000 cost, was questioned by multiple participants who suggested that a reduced or modified program could free up funds.

One participant raised the Historic Preservation Commission and the City's historic guidelines as candidates for elimination or significant revision. This was offered as a closing thought at the end of the June 13 session's budget conversation rather than as a detailed policy argument, and no follow-up discussion on the merits occurred in the session. It is included here as a participant-raised idea for Council's consideration. The same participant connected this comment to a broader theme of safety and regulatory accountability in the built environment, including concerns about landlord accountability for structural safety conditions.

Section 3: The Pivot — From Incremental Reductions to Structural Reform

After working through each expense category against actual department data, both in-person sessions arrived at the same conclusion independently, and this conclusion was reinforced by a majority of the written worksheet responses on the Revenue and Fees section: the City cannot close its budget gap through service reductions alone.

This was not a conclusion that came easily or without examination. Participants spent significant time asking where reductions were possible, what outsourcing might accomplish, and where staffing levels could be adjusted. The data presented by City staff, and the questions and answers that followed, consistently pointed to the same picture: departments are operating lean, legally required functions have fixed floors, and many of the reductions that are technically possible would produce savings too small to address the structural gap or would require service-level changes the same participants said they were not willing to accept.

The framing that emerged organically from both rooms was this: finding $30,000 or $40,000 or even $100,000 in a line item matters and should always be part of responsible budget management. But that kind of incremental reduction does not constitute structural reform, and the City's situation calls for structural reform.

Several participants pointed to similarly situated destination communities, including Estes Park, as examples of cities that have been more deliberate about aligning their fee structures with the actual cost of delivering services and amenities, particularly to visitors. Estes Park, a community that shares Manitou's status as a high-traffic mountain destination with a relatively small permanent population, was cited as a city that has more effectively monetized its position. This comparison was raised by participants and is included here as participant input, not as a verified benchmark analysis.

This led to a broader point that carried through the revenue discussion: the City should examine not only its tax rates but the full range of fees it charges for services, asking in each case whether current fees recover a reasonable share of actual costs. Participants asked whether there should be a goal, citywide or department by department, for what percentage of the cost of a service should be recovered through fees. This was framed explicitly as a question for the City to explore, not a demand for a specific outcome, and it represents one of the more substantive and novel ideas to emerge from the in-person sessions.

Section 4: What We Heard — Revenue and Fees

The revenue conversation in both sessions was shaped by the conclusion reached in the expense category discussions: reductions are necessary but not sufficient. What followed was an extended discussion of revenue mechanisms, grounded in the understanding that some combination of new or adjusted revenue would be required. The discussion covered both tax-side options and fee-side adjustments, and generated both consensus positions and meaningful disagreement.

The Visitor and Tourist Burden-Shift

The broadest point of consensus across both sessions and the worksheets was that visitors and tourists should bear a greater share of the financial burden than they currently do. This view was expressed across participant backgrounds and perspectives. The core argument: Manitou Springs is a destination community whose infrastructure, services, and amenities are used heavily by people who do not live here and do not pay property or sales taxes here on a regular basis. Residents generally feel they have already absorbed significant tax increases, and the appetite for further burden on the permanent population is low.

This consensus framed the entire revenue conversation and gave the specific mechanisms, lodging tax, amusement tax, Incline fee, and related options, a broadly favorable reception.

Lodging Tax

A lodging tax increase was the single most widely supported revenue mechanism across both sessions and the worksheet responses. Participants noted that Manitou's current lodging tax rate of approximately 11.03 percent is meaningfully below that of comparable communities, with Woodland Park at 14.1 percent cited as a specific reference point. The general view was that a reasonable increase would not deter visitors. Several participants framed it as the lowest-risk, most straightforward path to new revenue.

The relationship between lodging tax revenue and the economic development allocation was a recurring theme in this section. Under current city ordinance, lodging tax revenue is allocated to economic development, which the City has historically interpreted as funding for the Chamber of Commerce and visitor center, holiday lighting, and related tourism promotion. Several participants asked why this revenue is not available to the general fund. A Council member present at the Saturday session noted that this allocation is established by city ordinance rather than state statute and could therefore be revisited by Council. Multiple other participants raised the same question independently. This is identified as one of the more significant findings from the in-person sessions, as it was not anticipated in the original engagement design and could represent meaningful general fund flexibility if Council chose to examine it.

> *Note on attribution: The observation that the lodging tax allocation is established by city ordinance rather than state statute was made by a City Council member present at the June 13 session. The same point was raised in general terms by other participants who may not have had the same level of institutional knowledge about the ordinance's origins. The substance of this point, that the allocation warrants examination, reflects participant consensus and is not Confluence's recommendation.*

Amusement Tax

Support for an amusement tax increase was strong across both sessions, tempered by a consistent acknowledgment that the unresolved Cog Railway litigation is a factor in timing. Participants noted that the current amusement tax rate of 5 percent has not changed since 1973 and now sits at roughly half the City's 9.03 percent sales tax rate. Multiple participants independently described addressing this gap as overdue. The specific framing that resonated most was that the amusement tax should, over time, be brought in line with the sales tax rate, though participants did not identify a specific target rate or timeline.

The Cog litigation was raised unprompted by multiple participants as a reason for caution on timing. The prior ballot measure's failure was attributed in part to the Anschutz Corporation's opposition campaign, and several participants noted that resolving the litigation first, or at minimum reaching a settlement framework, would strengthen the case for revisiting the amusement tax.

Sales and Property Tax

Property tax increases were rejected near-unanimously. The school district bond was the dominant rationale: participants across both sessions cited the D-14 bond as having already stretched residents' capacity, and several noted that Manitou's older and fixed-income population would be disproportionately affected by any property tax increase. A secondary concern, raised by at least one participant, was that property tax increases could discourage renters from becoming homeowners in Manitou, affecting long-term community stability.

Sales tax drew more ambivalence. Several participants acknowledged that Manitou's combined sales tax rate is already on the high end regionally and that further increases could push more local spending to Colorado Springs or online. A sunset provision linked to a specific revenue target or timeframe was raised in both sessions and in the worksheets as a way to make any sales tax increase more palatable, framing it as a temporary bridge rather than a permanent adjustment.

Fee Schedule and Cost Recovery

A theme that ran through both sessions and received particular attention in the Revenue and Fees worksheet discussion was the adequacy of the City's existing fee structure. Participants across multiple categories had already noted specific fee questions, including pool membership rates relative to private fitness options, planning and permit fees relative to comparable municipalities, and special event fees relative to what other communities charge for similar events. The Revenue and Fees discussion pulled these observations into a broader frame.

The core participant ask was this: rather than evaluating fees on a case-by-case basis in response to budget pressure, the City should conduct a comprehensive review of all service fees and establish a principle or goal for what percentage of actual service costs should be recovered through fees. Whether that goal is applied citywide or calibrated by department and service type was left as a question for the City to determine. This was not framed as a demand for immediate fee increases but as a structural practice that would put the City in a more sustainable position over time.

Specific fee areas raised for review included planning and permit fees, pool and recreation program fees, special event fees including Coffin Races and the Wine and Beer Festival, Memorial Hall rental fees, water and sewer fees, and stormwater fees.

Notable Specific Ideas

- **Incline access:** Non-resident Incline fee (approximately $5 per visit)
- Near-unanimous support in both sessions. Framed as a modest, low-controversy step toward making visitors who use a free amenity contribute to the City's cost of maintaining safety and services on and around the Incline.
- **Vacancy tax:** Vacancy tax on long-empty commercial storefronts

- Raised independently in both sessions and reflected in multiple worksheet responses. Framed as a tool to both generate revenue and encourage property owners to activate vacant spaces.
- **Special event fees:** Special event admission fees, including Coffin Races
- Estes Park's Frozen Dead Guy Festival was cited as a comparable event that charges admission. Coffin Races were specifically mentioned as an event with sufficient draw to support a modest admission fee.
- **Parking lot tax:** Tax on private commercial parking lots generating significant net income
- Raised as a way to capture revenue from commercial enterprises that benefit from the City's infrastructure and visitor traffic.
- **Creative revenue:** Commemorative Incline tickets designed by local artists, renewed annually
- Raised as a way to generate revenue while creating a collectible item that also serves a marketing function.
- **Enforcement revenue:** Jaywalking citations tied to pedestrian safety investment
- Framed as cost recovery for crosswalk and pedestrian infrastructure the City has already funded.
- **Property safety:** Landlord accountability and property safety fees
- Raised by a participant who described a serious structural safety incident involving a deck collapse at their workplace. The same participant also raised elimination or significant revision of the Historic Preservation Commission as a related governance concern, connecting both points to a broader theme of safety standards and regulatory accountability in the built environment.

Section 5: Survey vs. In-Person — What Changes When People Have More Information

The community survey and the in-person sessions were designed as complementary phases of a single engagement process, not as competing data sources. Understanding what was consistent between the two and where they diverged is useful context for how Council reads the full body of input.

The differences between the two formats are structural. Survey respondents answered based on the information available to them, without the ability to ask questions, hear other perspectives, or engage with actual budget data. In-person participants had access to detailed departmental presentations, could ask clarifying questions of City staff, heard from other community members, and deliberated across topics over two to three hours. These are fundamentally different conditions for forming and expressing a view. Neither is more valid than the other. But when a view shifts between the two formats, the shift often reflects what happens when information is added and dialogue becomes possible.

Where the Two Sources Align

On the major themes, the survey and the in-person sessions were broadly consistent. Fire mitigation and infrastructure were top priorities in both. Visitor and tourist tax-shifting was the preferred revenue direction in both, and if anything, the consensus was stronger in person. Property tax opposition was near-universal in both, with the D-14 school bond as the dominant rationale. Lodging and amusement tax as the leading revenue mechanisms were consistent across both, though the in-person sessions added specific comparative data, including Woodland Park's lodging tax rate and the history of the amusement tax, that the survey format could not generate.

Where In-Person Went Further

The lodging tax and economic development earmark question did not appear in the survey at all. It emerged entirely from the in-person session once participants had comparative budget data in front of them and the opportunity to ask questions of staff. This is the clearest example of something the in-person format can produce that a survey structurally cannot: a substantive, specific policy question that arises from dialogue rather than from a pre-set question.

The pool conversation evolved significantly between the survey and the in-person sessions. A meaningful minority of survey open-ended responses suggested closing the pool. No participant in either in-person session advocated for closure. Instead, the in-person group generated a range of constructive partnership and revenue ideas for making the pool financially more sustainable. This shift likely reflects both the composition of who attends in-person sessions and the effect of being presented with the fixed-cost structure of the facility, which makes the permanence of closure more concrete.

The "cannot cut our way out" conclusion was not anticipated in the survey design and could not have emerged from a survey format. It required participants to work through multiple expense categories against real data before arriving at it. That it emerged independently in both sessions, and was reinforced by the majority of Revenue and Fees worksheet responses, gives it particular weight.

Where the Sources Diverge and Why It Matters

The survey's topline results showed a near-even split on the police department, with 51 percent supporting reductions and 46 percent opposed. This was the closest margin of any department. In the in-person sessions, calls to reduce the police budget were largely absent. The conversation instead focused on recruitment, retention, and the compensation study.

This divergence is worth naming because Council may encounter it when comparing the survey toplines to this report. The most plausible explanation is not that the two sources contradict each other but that they reflect different things. Anonymous survey responses capture a range of views, including views held with varying levels of intensity and information. In-person participants, after hearing about the department's current staffing shortfall and the challenges of recruitment, tended to reframe the question from one about budget sizing to one about how to fill the positions that are already budgeted. Context and information shifted the frame.

The marijuana revenue narrative was another point of divergence. Open-ended survey responses contained substantial frustration, roughly 72 instances across both survey questions, about how prior cannabis tax revenues were managed and where those funds went. This was nearly absent from the in-person sessions, which were largely forward-looking. The in-person participants, several of whom were clearly informed about the City's budget history, tended to frame the cannabis revenue decline as a new baseline to plan around rather than a grievance to relitigate. This is a meaningful signal: the community engagement process may have helped move at least the in-person participants toward a more forward-looking orientation.

Appendix A: Engagement Design and Discussion Questions

Both in-person sessions followed the same general design. City staff presented departmental budget data for approximately 45 minutes, followed by a brief period for clarifying questions. Participants then engaged in structured table discussions using worksheets organized by budget category. Each table was given a category worksheet, discussed the questions, and shared out a summary to the full room before moving to the next category. On June 13, due to lower attendance, all participants joined a single combined conversation rather than separate table rotations.

The following discussion questions were used across the four expense category worksheets and the Revenue and Fees worksheet.

Category 1: Safety

- Are there any departments in this category that should be fully protected from budget reductions?
- Should public-facing staff counts be protected as-is in any of these departments?
- Would your table be comfortable with outsourcing EMS for budget savings? What conditions or concerns would shape that answer?
- If reductions must be made in this category, how would your table allocate them as a percentage across these departments?
- What is the greatest risk of unintended consequences if reductions are made in this category?
- Revenue signal: Are there revenue or fee tools tied to public safety your table believes the City should explore?

Category 2: Citizen Services

- Which facilities or services must be protected as-is for community access and quality of life?
- The pool operates at high fixed costs regardless of hours. Meaningful savings require significantly reduced operations or full closure, likely permanent for a 50-year-old facility. How should the City weigh that tradeoff?
- Should reductions be made to downtown beautification, flower beds, trash collection, or sidewalk snow removal?
- Would your table be comfortable outsourcing any of these services? Which ones, and under what conditions?
- How do these services contribute to quality of life and the City's appeal, and how would reductions change that?
- Revenue signal: Are there fees related to parks, recreation programs, or public facilities that should be updated to better reflect actual costs?

Category 3: City Administration

- Are there any departments in this category that should be fully protected from budget reductions?
- Should public-serving or public-facing staff counts be protected as-is in any department?

- Would your table be comfortable with outsourcing any of these functions for budget savings?
- If reductions must be made in this category, how would your table allocate them as a percentage across these departments?

Category 4: Growth & Planning

- Are there any departments in this category that should be fully protected from budget reductions?
- Should public-serving or public-facing staff counts be protected as-is in any department?
- Would your table be comfortable with outsourcing any of these functions for budget savings?
- Should fees such as planning and permit fees be increased to offset the cost of planning services?
- How do these departments contribute to quality of life and the economy, and how would reductions change that?
- What level of City investment in economic development and tourism promotion does your table believe is appropriate given the current budget situation?

Category 5: Revenue & Fees

- Based on your table's earlier discussions, what is your estimate of how much of the budget gap could realistically be closed through service reductions alone, and what does that imply about the need for new or increased revenue?
- The community survey showed strong support for shifting more financial responsibility to visitors and tourists. Which mechanisms should the City prioritize, and why: lodging tax increase, amusement tax increase, short-term rental fees, tourism-related fees such as Incline or trail access, or some combination?
- The survey showed 42 percent support for a sales tax increase and only 21 percent support for a property tax increase, with strong opposition from fixed-income and older residents. Does your table agree with those priorities?
- Are there city services where fees have not kept pace with actual costs and should be updated?
- Rank the following approaches in order of your table's preference: visitor and tourism-focused revenue increases; broad-based tax increases; service reductions in lower-priority areas; continued use of reserves as a bridge.
- What is the single most important message your table wants City Council to hear from tonight's discussion?

Appendix B: Verbatim Worksheet Responses

The following responses were submitted in writing by participants at the June 11 and June 13, 2026 community engagement sessions. Responses are transcribed exactly as written on the submitted worksheets, including spelling, punctuation, shorthand, and any unclear or abbreviated language, to preserve the integrity of participant input. No responses have been edited, corrected, or omitted. Where voice-transcription artifacts or unclear shorthand appear in the original, they are reproduced as-received.

Category 1: Safety

Are there any departments in this category that should be fully protected from budget reductions?

- All
- Economic development, planning, public services
- Fire, EMS
- EMS, Fire / Mitigation
- All of them
- Fire & EMS
- Mental Health/Police Consultant
- No
- Possible reduction in Equipment, but not personnel.
- Maybe fire? $700,000 annually is a lot. What is there to show for that?
- Is EMS getting closer to breaking even? What is AMR cost?
- No cuts to EMS., no cuts to fire. Fire mitigation? What does that cover for people? Pick up?
- All
- EMS/Fire and Fire Mitigation
- Those departments engaged with public safety - Police and fire, as well as City Council, should be protected.
- No.
- Fire and police.
- All departments should be protected, i.e. Recent fire on Washington and Incline deaths.
- Police, fire and EMS.
- Yes. No department should be reduced.

Should public-facing staff counts be protected as-is in any of these departments?

- Yes.
- Need to define what "public facing" and "protected" means.
- No.
- Yes.

- We need a Fire Chief.
- Need more information on Police Department.
- Not as concerned with exact counts.
- Staff at the Chamber of Commerce should be reduced as well as the budgeted amount given to the chamber.
- Emergency operations.
- All staff should be protected.
- No staff should be reduced.

Would your table be comfortable with outsourcing EMS for budget savings? What conditions or concerns would shape that answer?

- No.
- No.
- No, response times are too important.
- No.
- No.
- No, but there's a national conversation going on about these and other people's public safety issues - consolidation of police departments) at a county or other level) that most of us don't know the details of.
- Should be considered, or a covered expense with insurance.
- Not if response times suffer. Someone at my table mentioned we have two EMS vehicles. Could we get away with one?
- Prefer not to. Maybe sell second ambulance?
- No, unless they were stationed in town.
- Response times/ priority and understanding/ navigating Manitou city streets.
- The response times for medical emergencies has been greatly reduced by in-house EMS. Why would outsourcing be less expensive?
- Dispatch?
- No due to increased response times.
- No. Higher, more in town/ in house.
- No, because of response times. If outsourced, ambulances need to be stationed at MSFD.

If reductions must be made in this category, how would your table allocate them as a percentage across these departments?

- Keep Fire. We need to rethink the structure of departments, not only about their function. Keep fire, We appreciate chipping days at Public Works Yard and chipper days for neighborhoods.
- Maintain established minimums.
- Unable to provide input without additional details.

What is the greatest risk of unintended consequences if reductions are made in this category?

- Loss of life.
- Loss of life.
- Increased crime, increased insurance rates for property owners.
- Longer response times, more damage and health risk.
- Public safety.

- Poor response times.
- Public safety, Although I question whether police care enough to enforce Traffic Safety (i.e. excessive speeding and aggressive driving).
- Response times.
- Lack of familiarity with Manitou Springs.
- Health/ Wellness of residents and visitors.
- Possibly slower response times.
- Burglary, deaths on incline, fire, lack of community amongst the people, time for responses of fire/ police.
- Slow response times impacting outcomes.

Revenue signal: Are there revenue or fee tools tied to public safety your table believes the City should explore?

- Share cost of Incline search and rescue with Colorado Springs.
- Fee for emergency response to Incline? Cost sharing with Colorado Springs?
- Photo enforcement.
- Jaywalking citation. Safety is important and so often ignored. We spent plenty of money on crosswalks. Why not recoup some of the losses when that safety feature and care spent is disregarded?
- Incline rescue fees?
- Yes, explore them all. Also explore Why our EMS and servicing the incline alone when the land belongs to the city of Colorado Springs.
- Not sure I have any ideas to contribute here.
- Potentially.
- Is this something that insurance covers?
- The city should explore charging admission for the Coffin Races as Estes Park does for its Frozen Dead Guy Festival.
- All of course.
- Special event cost recovery?

Category 2: Citizen Services

Which facilities or services must be protected as-is for community access and quality of life?

- The pool is an important and unique part of our community - it's an anchor. What about the school district's pitching in funding for pool based on school uses?
- As much as possible.
- Our parks and playgrounds. Provides so much for both our residents and visitors. Playgrounds give visitors places to let their kids run wild, allowing potential fewer problems in various stores.
- Snow removal, parks being healthy, pool facilities.
- None. Look at the whole structure.
- Parks and Rec's/ public services. Manitou Kiwanas may be willing to help cover swimming costs slash memberships. Ask DD14 to help cover costs since they just passed a new property tax bond.

- All, but possibly reduced frequency/ access.
- Streets, parks/ trails/ water/ sewer/ pool. Percentage temporary across the board reductions.
- These are all important, nice to haves, but unwilling to spend reserve funds on.
- Parks and Rec.
- Parks and pool.
- Pool and services within.; Generates community care.

The pool operates at high fixed costs regardless of hours. Meaningful savings require significantly reduced operations or full closure — likely permanent for a 50-year-old facility. How should the City weigh that tradeoff?

- Not sure the pool budget figures for last year represent a normal year. The pool was closed for many months so fees were not collected.
- More aggressive promotion/ marketing.
- In a tourist driven town, no. The locals need a pool. In fact, they should expand and make it more accessible to all ages like a Community Center.
- Would the community be willing to pay for the pool through an assessment? Raising fees should be considered.
- Consider closing and/or increasing percentage of revenue relevant to cost through a specific business plan.
- Reduce operations or increase membership? How do we compare with other fitness centers regarding membership costs?
- Define meaning savings.
- Major repairs have been done.
- Make more attractive dash like a YMCA and increasing programming. And creative BBQ slash sand?
- How is pool funded, and can you rent out the pool?
- Can MSSD help fund the pool to protect the swim team?
- What could be done to increase use/ revenue?
- Key facility for the community.
- Should close it and never should have renovated it.

Should reductions be made to downtown beautification, flower beds, trash collection, or sidewalk snow removal? If so, what level is acceptable?

- I see no reductions; however, alternative funding options should be explored.
- Only if it's part of across-the-board cuts.
- Yes. More wildflowers, less seasonal brought in flowers. More flower bushes that stay longer instead of being replaced seasonally.
- No. Me.
- Maybe beautification (health reasons). Not trash or snow.
- Yes. Are we planting annuals or perennials? Can curbs be more decorative rocks or boulders? Clean is critical - trash and sidewalk clean.
- Consider a "Citizens Corps" to accomplish some of this work.
- No. If our city looks unkept, uncared for, No one will want to visit a dumpy looking town. Green spaces matter.
- Trash collection, unchanged. Flower beds, reduced. Snow removal, unchanged.
- More volunteer work on parks, flower beds.

- Staffing reductions/ budget lower to meet., not higher, but more accurately.
- Should downtown businesses fund downtown beautification?
- Why $85,000 for lights?
- Snow removal, yes. Beautification is key to attracting visitors which is related to sales tax revenue.
- No cuts to snow removal. Flower beds provide beauty, enticing visitors.
- Try to reduce on FTEs on areas other than snow removal.

Would your table be comfortable outsourcing any of these services? Which ones, and under what conditions?

- Could snow removal be outsourced? But only if it results in cost savings.
- The BID is responsible for some of this, but the BID results have enough money for that.
- Sure - volunteer programs. Retribution-instead of paying parking tickets, you take out trash.
- Depends on the cost of outsourcing.
- Explore outsourcing to YMCA.
- Possibly, Yes.
- What would this look like? Need more info.
- Park maintenance.
- Snow removal.
- Snow removal partially paid for by BID.
- YMCA manages Colorado Springs pool, an option for Manitou.
- Pool.
- What would be the savings if outsourced?
- No. Colorado Springs Parks and Rec can serve Manitou with programs.

How do these services contribute to quality of life and the City's appeal, and how would reductions change that?

- Parks and Rec and the pool have a big impact on the city's appeal.
- Major factor in quality of life and appeal. There is a danger in cutting here.
- Yes, flowers are pretty. Flowering shrubs are too and don't require constant dig up and replacement.
- Very important for quality of life.
- All of these services help our city thrive as residents as well as keep our community alive by bringing in tourists.
- They contribute greatly, but there could be other creative ways to beautify and make people smile.
- All contribute to quality life as is.
- Empower people to take on some. What has been the government's work with city as standard-setter? Staffer and coordinator?
- Getting trash removed from public trash receptacles is important!! Keeping our gardens and green spaces looking cared for is important!
- Carefully chosen reductions may not be noticed.
- Reductions would impact places for youth to release energy in a positive way.
- As a retiree, cutting senior services could very well affect my quality of life.
- Does Manitou schools pay a fee to use the pool? Kiwanis - grant $$?

- They matter, and tourists like them, but parks less than other areas. Seems the parks staff grew a lot since 2015 and maybe needs reductions.

Revenue signal: Are there fees related to parks, recreation programs, or public facilities that should be updated to better reflect actual costs?

- I like the idea of parking revenue/ Shriver park going to pool!
- Tennis, pickleball, and skate park use fees.
- Parking fees from lots near parks go to parks category. Parking fees from lots close to pool go to pool category.
- Sure! Lower costs so more people utilize it. Example: The pool costs are higher than Planet Fitness, so many people choose Planet Fitness over the pool rec center.
- Way out how raising fees at the pool will result in loss of membership numbers.
- Possibly - show us the current fee structure.
- I appreciate St. sweeping, bike lanes and pedestrian crossing markings being upkept.
- Annually reviewed to keep up with general costs.
- Raise pool fees - D14 fees.
- More volunteers/school community service requirement. Department heads eagle-eyeing budgets. Trends show keeping below budget.
- What are outsourced costs versus in-house costs.
- What about hotel taxes, more entertainment tax, tourist tax in other areas?

Category 3: City Administration

Are there any departments in this category that should be fully protected from budget reductions?

- City clerk and finance.
- Everything.
- City clerk is required. Most all departments seem reasonable.
- No.
- Do we need more than one representative from each borough? Should City Council be more than chartered?
- Clerk, business permitting - paperwork needed, meetings, everything they do.
- Judicial, city clerk, insurance.
- Need more info.
- No. Again, I do not see cuts here. It's a skeleton crew as it is.
- These are all key to city governance. Newsletter is key to keeping everyone in town aware and up to date.
- All.
- All basic operations, much of which is legally required.
- We feel minimum staffing departments.

Should public-serving or public-facing staff counts be protected as-is in any department?

- Yes, but reduced hours perhaps?
- Yes, but perhaps budget for churn right now or turnover instead of full staffing.
- Yes. Public facing staff are key to the city's image, experience, history, and continuity.
- No.
- No!
- Not necessarily. We're too top heavy, but outsourcing is expensive.
- All should be protected.
- No. Planning needs to be reduced.
- Do we need 2+ employees managing the city budget?
- We need public relations, newsletter, public interviews, community communications to feel as though our services are represented (shop owners). You need a face on Manitou, so I'm thankful for Alex.
- Staff reductions can be considered.
- Not necessarily.

Would your table be comfortable with outsourcing any of these functions for budget savings? Which ones, and what concerns would need to be addressed?

- No.
- No.
- Possibly, but I need more info to answer which ones. This is very case by case.
- No!
- Retention! Some staff know way above their pay grade.
- No. I question the assumption that outsourcing is cheaper for the same level of service.
- Judicial? Finance? What would suffer? Need more info.
- No outsourcing.
- No. Levels of staffing are minimal and very efficient.
- CSU taking over water operations to some degree?

If reductions must be made in this category, how would your table allocate them as a percentage across these departments?

- City Council by 65%. Settle the COG lawsuit so reduce City Council.
- Yes, but perhaps budget for churn right now or turnover instead of full staffing.
- This department overall seems fairly lean to me.
- 10%.
- Putting more work on existing staff. Add a little, will they quit?
- Better manager to employee ratios. Really need more info.
- Can't imagine we could do without attorney services that have already contracted and not in-house.
- Executive, 10%. Judicial, 0%. City Clerk, 40%. Finance, 40%. City Council, 10%.
- Is there opportunity to cut IT expenses?? City Council cut printing expenses?
- Consider outsourcing payroll/benefits to ADP or similar service providers.

Table share-out — What did your table most want to protect? Where was your table most open to reduction? What is the one message your table most wants City Council to hear?

- Hard to cut any.
- Could manage to request staff to do furlough days to aid in payroll budget?

- What is the city administrator getting paid? Is it commensurate with value/services? We are receiving? Just the thought.
- None.
- Continue the transparency!
- I'm thankful for the volunteer services to include fire and City Council.
- Outsourcing any service can potentially increase costs and these are not known (yet).
- Stay out of hot water and keep legal fees down.
- The continuation of transparency.
- Is the city willing to consider a volunteer force? The city is top heavy.
- Transparency is key.
- DO NOT cut staff.
- Continued public involvement.
- I've been under the impression that these questionnaires should be seeking individual viewpoints, yet they use the term "your table".

Category 4: Growth & Planning

Are there any departments in this category that should be fully protected from budget reductions?

- No.
- Neighborhood services and planning.
- ED.
- No.
- Everything.
- Planning department larger than others of similar size.? Manitou is capped - maybe only a few places where growth could occur. Economic development.
- Economic development.
- Economic development.
- Code.
- Not sure.
- Every department should be protected. Can Christmas lights be reduced? It's beautiful but cut back.
- Need clarity on planning activity in Manitou Springs.
- Allow reduction in all others. Rebuild economic development to attract other businesses.

Should public-serving or public-facing staff counts be protected as-is in any department?

- No.
- Can you do hours reduction?
- Yes, if possible, in all.
- Planning. This high payroll. We are heavy on consultants and special projects - slow your roll.
- Planning.
- Planning.

- Keep planning department employees. We need eyes/ ears on growth.
- Three people in planning instead of four.
- Ben Schmitt.
- One less FTE in planning.
- All should be reviewed.

Would your table be comfortable with outsourcing any of these functions for budget savings?

- Possibly.
- Maybe.
- Look at fees for experts being passed on.
- No.
- No.
- Economic development.
- Only if it saves money. Why are we spending so much on Christmas light services? How about deploying fewer lights? $85,000 is ridiculous.
- No. Economic development is already outsourced. Have we looked at Colorado Springs Downtown Partnership for ideas?

Should fees such as planning and permit fees be increased to offset the cost of planning services? What principles should guide that decision?

- Two specific question with limited background.
- Yes. Make comparable to similar municipalities.
- Review fee structures.
- I am uncomfortable with the unintended consequences. Maybe compare to other cities?
- No. Reduced staff in planning to three people.
- Evaluate and increase if possible, everything except fees.
- Consider increasing permitting fees. Consider direct billing of contracted specialists (e.g. bill the developer).
- These should be consistent incoming/outgoing.
- Are they in line with current fees?
- Yes.
- Increase lodging and amusement tax. I'm OK with a vacancy tax.
- Yes. In the perfect world, fees should cover the cost of planning services.
- Do beer and wine fees etc. pay enough? Entry fee to coffin races or shuttle fees?

How do these departments contribute to quality of life and the economy, and how would reductions change that for residents and visitors?

- All. Might tolerate a downturn for a while.
- Complex question that needs more conversation.
- Quality of life is improved by giving separation for local residents from visitors. While economy depends largely on our visitors, it shouldn't be a detriment to the locals who are still here when visitors leave. Both visitors and locals are relied on for balance.
- Economic development absolutely contributes to the positive quality of life. Don't lose your downtown.
- A lot.

- Economic development (chamber) is a huge asset that would be decimated by more big cuts.
- Reducing the money we give to the chamber/Visit Manitou Springs is OK with me. If they were largely against 2A passing, we either need to cut their budget or get an increase in the amusement tax. The chamber claims to organize only one event annually. However, I dissent. They continue their events under the guise of other community organizations. What exactly does the chamber offer to businesses in Manitou? Are the benefits similar to other Colorado towns?
- Tourism is the lifeblood, have to efficiently continue to bring people to town.

What level of City investment in economic development and tourism promotion does your table believe is appropriate given the current budget situation?

- Significant.
- Full investment equals increased revenue.
- It's good the way it is., except to look into reducing money for holiday lights.
- Maintain current levels as a minimum mandated by lodging tax.
- Why does the lodging tax go to the chamber only? It would be better to have more transparency on the economic development line-item spending.
- Cities should only find services that benefit the entire city (e.g. Chamber). No funds should be used exclusively for Chamber members.
- Attract more diverse economy of business. Vacancy tax.
- Planning is bloated!
- Holiday lights budget can be reduced.
- City should sustain a quality business environment, but should the City pay to promote business?
- We need to attract a more diverse economy. Another bar, T-shirt shop, ice cream shop, etc.
- Maybe a little less to Chamber, members pay more?

Table share-out — What did your table most want to protect? Where was your table most open to reduction? What is one message your table most wants City Council to hear?

- Chamber budget includes art district projects/placements.
- Neighborhood Services.
- Planning - Do we need 4.5 FTE.
- 7 to 10% cuts across the board.
- Extend usage of physical equipment.
- A tax increase on hotels is less stinging than a tax on amusements, merchandise.
- Member/small businesses unable to afford to market.
- Vacancy tax, economic incentives.
- Hotel tax - we are a tourist town! Driving locals out.
- Our reliance on consultants.
- Implement a business vacancy tax.

Closing participant comment — June 13 session:

- Think about getting rid of the historic preservation commission, the historic guidelines, honestly, or revising them a great deal. [Participant offered to assist with revision.] Greater need for safety and respect of safety within our town.

Category 5: Revenue & Fees

Based on your table's earlier discussions, what is your estimate of how much of the budget gap could realistically be closed through service reductions alone, and what does that imply about the need for new or increased revenue?

- Probably not much.
- The city is running very lean with very little room for reductions.
- Lodging tax - compete with other cities.
- Not a whole lot of savings to find. Parks and Rec maybe. Maybe planning. Partnership with EPCOS or CSU?
- Very little of the budget gap can be closed through reductions of services/ staff. We need to increase revenues.
- To say would be arbitrarily setting a target.
- We could close the budget gap with reductions, it is just a question of how much pain is inflicted.
- We shouldn't be scaring people with EMS or MSPD/MSFD reductions in services if funds can be found elsewhere. This should be the last place we reduce.

The community survey showed strong support for shifting more financial responsibility to visitors and tourists. Which mechanisms should the City prioritize, and why?

- Lodging tax increase. No one has changed vacation plans because of tax rate. Amusement tax if the COG agreement is resolved.
- I'm OK with: Lodging tax increase, amusement tax increase. Vacancy tax - several buildings on Manitou Look like garbage! Let's turn those into vital businesses, fix them up and get new businesses in town.
- Lodging tax. No reasonable increase will negatively impact tourism. Amusement tax should also be increased. Vacancy tax should be established for out of town property owners. Tourism fees (Incline tickets) - Could have commemorative tickets designed by local artists, renewed each year.
- Lodging tax increase. Amusement tax increase. Airbnb and VRBO tax increase. Any tourism tax would be helpful. Vacancy Tax.
- Incline comments on kiosk charged annually, $5 or $10, to support Manitou servicing the Incline. Increase lodging tax from 2% to 5%. Take sales tax range from 8% to 9%. Need COG lawsuits settled before bringing amusement tax back up.
- Increase lodging tax - we are very low when compared to most cities in Colorado. We are at 11.03%., Woodland Park is at 14.1%. Amusement tax: increase, but don't be excessive. Tourism related fees, especially the incline, even a small fee would generate a lot of revenue. Get creative - issue commemorative tickets designed by local artists., rotate designs annually.
- Lodging tax increase/ short term rental fees. Those in particular would shift responsibility to tourists without hurting the financials of locals. If we increase amusement or trail accesses, our own locals would utilize them less which would lower free advertisement provided by local word of mouth.
- Increase amusement tax and lodging tax. No fees on Incline or trails.
- Amusement tax should be equal to sales tax percent. No fees for trails.

- No, don't shift more financial responsibility to visitors and tourists. Restore the city's budget first. Engage the business community after the city restores its own budget to fit with the smaller revenue base.
- Yes. We should increase all across the board.
- Increase lodging tax 5%, amusement tax 5%, and tourism related fees.
- Travel fees - more than room rate!!! We cannot tax tourists period. They will not spend as much and have a negative view of Manitou, which is not our culture.

The survey showed 42% support for a sales tax increase and only 21% support for a property tax increase. Does your table agree with those priorities?

- Yes. No more sales tax and property tax increases. When comparing sales tax versus property taxes - a sales tax increase is better. It puts more burden on visitors rather than residents.
- No property tax increase. No sales tax increase. Go after the tourists, not the locals. Go after second home owners.
- We already have among the highest sales taxes around. Hard to look at property tax following MSSOIU bond, but may be needed and our rate is low relative to many places.
- No property tax increase.
- No property tax increase. It would discourage those in town from going from renting to purchase, which can discourage long-term community engagement.
- No property tax increase. Maybe look at sales tax increase a little bit.
- Understand better the relationship between higher sales taxes and the viability of both in this economy and the businesses that provide the sales tax revenue.
- In the "narrow" focus of this question, yes. I wonder if respondents understand impact on online purchases. Increasing sales tax will push locals to shop more outside Manitou Springs.
- Add a sunset provision to one year tax increase for entertainment tax!
- Yes, table supports survey results. No, table does not agree with those priorities. Consider a tax with a sunset provision to support in near term. No property tax increase. We're at a reset point (MMJ) and need to cut to a new baseline. New normal and prioritize! Infrastructure (Ruxton) is the last big project.

Are there city services where fees have not kept pace with actual costs and should be updated? What principles should guide those decisions?

- Increase pool fees?
- Yes! Charge more for special event fees.
- Why is it that one person can own so much of the town? Locals cannot use the services provided during peak seasons, mostly because of parking and traffic.
- Fees should cover most costs. Need great economic return to subsidized fees. Some events may not be worth subsidizing.
- Are any special event fees in line with other cities?
- A chart showing relative cost versus amount needed in previous years versus what it actually costs in current economy would be helpful to show what is actually needed financially in today's economy.
- Review that for all fees. Do a comprehensive review.
- Amusement tax rate is unchanged since 1973. It is half the sales tax rate - consider increasing to same rate. Consider increasing fees close to rate of inflation (CPI, PPI, etc.).
- Planning and permit fees should be considered. Review fees for rental and city properties like Memorial Hall.

- Practically across the board - planning fees, water, sewer, storm water fees, pool use, RPP admin, etc.
- The city should increase entrance fee for the Wine and Beer Festival. In addition, implement an entrance fee for the Coffin Races. Estes Park charges $55 per permit to enter their Frozen Dead Guy Coffin race.

What is the most important message your table wants City Council to hear from tonight's discussion?

- OK with cuts to chamber and OK with implementing amusement and lodging taxes.
- No personal property tax increase.
- Look to neighbor partnerships. EPSCO Sheriff's Office, Colorado Springs utilities. Hotel tax doesn't bring in a ton of money but is most likely to pass. If win against Cog, increase amusement tax to sales tax level. Parks and Rec best place to cut. Maybe cut planning too.
- Increased taxes on amusements and event entrance fees.
- No property tax increase. And use caution on taxing tourists. They will not have as good of an experience and will spend less.

Table share-out — What did your table most want to protect and what revenue tool did you most support? What is the single most important message your table wants City Council to hear?

- Increase hotel tax.
- No personal property tax increase.
- Pitch City as a health/ Wellness/ fitness draw. We have self-guided walking/ rolling tours already online for: Mineral springs, historical tour, and pollinator gardens. Attract someone who wants to bring dogs, bike, walk and hike, etc.