

**CITY OF MANITOU SPRINGS
CITY COUNCIL**

Special Meeting Minutes
606 Manitou Avenue
August 11, 2026

The City Council of Manitou Springs met in Regular Session on Tuesday, August 11, 2026, at 606 Manitou Avenue, in the City of Manitou Springs, County of El Paso, and State of Colorado.

COUNCIL MEMBERS PRESENT FOR ROLL CALL:

Mayor Natalie Johnson
Councilor John Shada
Councilor Julie Wolfe
Councilor Nathan Nassif (Via Zoom)
Councilor Carey Storm
Councilor Gloria Latimer

COUNCIL MEMBERS PRESENT FOR ROLL CALL:

Mayor Pro Tem Judith Chandler (Excused)

D. ADJOURN TO SPECIAL SESSION

Mayor Johnson called the special meeting to order at 6:15 PM.

E. PUBLIC COMMENT

Douglas Edmundson, Chair of the Mineral Springs Foundation, commented on the establishment of the Mineral Springs Foundation and the relationship between the City, the Foundation and SunWater Spa. He noted that the Memorandum of Understanding (MOU) between the City and the Foundation will be reviewed in the near future. He added that the Colorado Department of Public Health and Environment (CDPHE) is now involved, enhancing roles and responsibilities for both the Foundation and the City. He reminded the Council that the Foundation's purpose is to serve the City and stated that the Foundation cannot provide the operating, licensing and servicing that is provided by the City per the MOU. Mineral Springs Foundation Chair Edmundson emphasized that the mineral springs need constant care. He expressed concern that allocating \$80,000 of the Mineral Springs' funding to the Chamber of Commerce would be disproportionate. He stated that the mineral springs are internationally known and the greatest natural resource the City has, but that they are not an economic development activity.

There was a discussion about the Mineral Springs Foundation's financial resources and contributions to spring-related projects. Mineral Springs Foundation Chair Edmundson explained that the Foundation maintains financial reserves and has contributed to projects and expenses that would otherwise have been the City's responsibility under

the MOU, including \$40,000 toward repairs at the Navajo Spring and the cost of an engineering response to a recent CDPHE inspection. He added that the Foundation also funds improvements and maintenance and would be willing to discuss providing additional financial assistance if the City experiences financial constraints.

Mayor Johnson confirmed the intent to include the MOU in an upcoming City Council meeting packet.

Don Goede, Co-Owner of SunWater Spa, expressed concern about potential changes to mineral springs related funding and its relationship with the Chamber of Commerce.

1. Budget Meeting Agenda

There was a brief discussion about the proposed start times for the upcoming August 15, 2026 budget meeting. City Administrator Denise Howell requested a start time of 8:30 AM. It was suggested that Council members arrive at 8:00 AM, with the meeting scheduled to begin at 8:30 AM.

City Administrator Howell confirmed that all Department Heads would be present for the meeting.

Mayor Johnson suggested ending earlier in the day to avoid an extended meeting and maintain a focused discussion. She added that an additional meeting could be scheduled if needed to complete the remaining work.

There was a general discussion about ending the meeting at 3:00 PM with a condensed lunch break. The consensus was that the Council supported the suggested end time.

Councilor Wolfe expressed concern about setting an end time earlier than 4:15 PM without knowing when the Council would reconvene to complete the budget discussion. She stated that the next scheduled budget meeting in October will be too late to resume the work and that she would prefer to complete the work during the August meeting and use the October meeting to regroup.

Mayor Johnson clarified that she was not suggesting waiting until October to continue the budget discussion but rather scheduling an additional meeting if needed.

Councilor Wolfe stated that the date of any additional meeting would need to be determined in advance to account for Council members' availability.

Councilor Shada presented a revised agenda proposal for the upcoming budget meeting. He recommended a high-level discussion focused on the City's reserves, the potential financial implications if the proposed tax increase is not approved by voters, and potential budget strategies, including phased reductions. He suggested limiting staff attendance to the City Administrator and Finance Director. Councilor Shada also noted

that his budget model was based on information from the earlier budget book and that it has not been updated to reflect more recent financial information.

Mayor Johnson stated that she believed a budget tool used by the Council should be maintained on a City server to support transparency and accessibility.

Councilor Shada clarified that the model was independently developed and is not owned by the City. He stated that he would be willing to provide the City with an estimate to purchase the model.

City Administrator Howell confirmed it is not legally required, but common practice for the City to own and maintain such a tool to ensure compliance with public records and retention requirements. She added that staff has also been developing an interactive budget tool.

Councilor Latimer supported beginning the budget process early, starting with a high-level discussion of the City's reserves and overall financial position. She welcomed the opportunity for continued discussion and consideration of the issues over time. Regarding the use of an interactive budget tool, she emphasized the importance of ensuring it is based on financial information consistent with the City's current data.

Councilor Shada stated that his interactive budget model would not be available for the August 15, 2026 budget meeting due to the time needed to update and align the data.

Councilor Storm summarized the proposed focus as establishing a reserve target and providing high-level direction to staff regarding potential budget reductions under scenarios in which the proposed ballot measure passes or fails.

Mayor Johnson added that the discussion should also include the Mobility and Parking Enterprise transfer.

Councilor Shada stated that the City ended 2025 with approximately \$9,000,000 in reserves, which was stronger than anticipated, but emphasized the need to manage to that level going forward. He supported a balanced-budget approach and presented four scenarios addressing the potential tax increase, budget reductions, and the sustainability of the Mobility and Parking Enterprise transfer. He stated that the City should align expenditures with available revenues rather than rely on reserves to sustain City operations.

Councilor Wolfe agreed that the meeting should focus on the high-level budget scenarios. She recommended limiting staff participation to Finance and Mobility and Parking staff for information needed to address department-specific budget impacts, such as the development of the Dillon Mobility Hub. She suggested including all departments at a future meeting when the Council can provide a comprehensive recommendation after establishing its priorities.

City Administrator Howell explained that department heads would attend the budget meeting to listen and answer questions as needed and confirmed that the staff agenda generally aligned with the Council's proposed approach. She stated that once Council establishes reserve targets, considers the ballot measure, and addresses Mobility and Parking, staff will prepare corresponding budgets for Council's consideration. She added that Council is responsible for determining the allocation of economic development funds.

Councilor Nassif thanked Councilor Shada for his work and expressed support for integrating the proposed framework as a foundation for the discussion. He stated his preference for staff to develop and present the analysis, with Council focused on evaluating the information and providing direction.

Councilor Shada suggested excluding the economic development discussion in the proposed staff agenda, stating that it is too detailed for the scope of the meeting.

Mayor Johnson supported Councilor Shada's suggestion and noted that the supporting documentation provided regarding economic development is available for Council's future consideration.

Councilor Latimer suggested a brief, high-level discussion to establish a shared understanding of what economic development means to Council.

Mayor Johnson stated that defining economic development could be incorporated into the broader budget scenario and consensus-building discussion without becoming a separate agenda item.

Councilor Latimer commented that having an interactive budget tool available shortly after the August 15, 2026, budget meeting and before a budget meeting in September would be beneficial.

Councilor Wolfe suggested combining Councilor Shada's and staff's proposed agendas to reduce the time spent on preliminary discussions. She emphasized the importance of reaching a general direction on reserve levels and budget targets for the next three years.

City Administrator Howell stated that staff has a similar budget spreadsheet and an interactive tool that can be used during the August budget meeting to model changes during the discussion. She also clarified that the City had substantially reduced the 2026 budget, with approximately \$730,000 in reductions.

Mayor Johnson moved to approve the 2027 Manitou Springs Budget Retreat Proposal agenda presented by Councilor Shada, as amended during the discussion, including a soft start at 8:00 AM, the meeting convening at 8:30 AM, an approximate 3:00 PM conclusion, a potential working lunch, staff validation of the financial information, potential staff development of an interactive budget tool, identification of presenters for

each agenda item, and a draft of the retreat agenda and materials provided to the Council by Thursday for review and additional revisions, as needed, to reflect the discussion. The motion was seconded by Councilor Latimer. The motion carried unanimously (6-0).

Councilor Storm requested that the discussion of reserve best practices be supported by an analysis of reserve practices, such as best practices among similarly sized Colorado municipalities to provide a basis for Council's decision-making.

Councilor Shada noted that his preliminary review indicated that larger municipalities generally maintain lower reserve levels. He expressed concern that larger municipalities may not provide a useful comparison for Manitou Springs due to differences in economic diversity. He noted that Manitou Springs' less diverse economy may warrant a higher reserve level. Councilor Shada emphasized that the City's reserves have provided resilience and flexibility during the past decade and cautioned against adopting a reserve level that could limit the City's ability to respond to future needs.

Councilor Wolfe stated that, if staff is asked to research reserve practices among other municipalities, the comparison should focus on similarly situated communities, including those with limited revenue sources and comparable disaster risks, such as the City's significant wildfire risk.

F. RECEIVE OR ACT ON COUNCIL CORRESPONDENCE

Councilor Latimer reported that the Waltham Avenue meter installation project by Colorado Springs Utilities (CSU) went well, but the subsequent street repaving by CSU's subcontractor resulted in numerous potholes, which are being addressed and suggested that future capital improvements include funding for more comprehensive street repairs. She also recommended that the City have staff involved in overseeing subcontractor work on future projects. Additionally, she shared that she attended the Coffee with a Cop event, noting that she was the only one present. She suggested considering alternative times to encourage greater participation by working members of the community.

G. CITY ADMINISTRATOR REPORT

There was nothing to report.

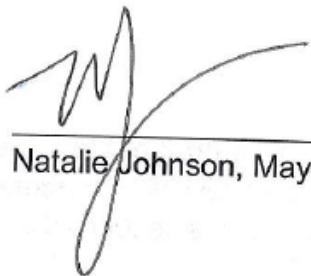
ADJOURN

With no other items to discuss, Mayor Johnson adjourned the meeting at 7:22 PM.

Attest:



Kristen Dukoi, Deputy City Clerk



Natalie Johnson, Mayor

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