

**CITY OF NISSWA
MINUTES – TRUTH IN TAXATION SPECIAL MEETING
MONDAY, DECEMBER 16, 2025 – 6:00 P.M.
NISSWA CITY HALL**

Members present: Jennifer Carnahan, Mark Froehle, Bruce London, Jesse Zahn.

Other Members Present: none.

Members absent: Joe Hall.

City staff present: Maggi Wentler, Interim City Administrator; Steven Timblin, Planning & Zoning; Brian Farrell, Spirits Manager; Tom Blomer, Public Works.

Audience members: 29 members of the public were present.

A. Call to Order

Mayor Jennifer Carnahan called the City of Nisswa Public Information/Truth in Taxation Meeting to order at 6:00 PM on Tuesday, December 16, 2025. She noted that Council Member Joe Hall would be joining remotely from Colorado, but he was not able to connect in time for the meeting.

B. Review of Proposed 2026 Budget and 2025 Pay 2026 Levy

Finance Specialist and Interim Administrator Maggi presented an overview of the proposed 2026 budget and levy. She explained that the preliminary levy was set in September at 6.04% above the 2025 levy, but after adjustments, the current proposed levy sits at 4.23% above last year.

Maggi provided a summary of the budget process that began in April with different budget scenarios including a flat budget, a 7-10% cut scenario, and needs-based projections. She noted that the proposed budget is \$3,890,289, which represents an increase of approximately \$115,000 (just over 3%) from 2025. For context, she mentioned the Midwest region's inflation (CPI) average through September was 2.83%.

The presentation included charts showing revenue sources (with property taxes making up 82% of revenue) and expense categories (with public works and police being the largest expense categories). Maggi also highlighted that the Pickle and Spirits businesses contribute \$290,000 from their profits to offset the levy.

Mayor Carnahan shared concerns about the fiscal direction of Minnesota, noting she had signed a letter with other area mayors expressing frustration with the state's fiscal policies. She pointed out that neighboring communities like Cross Lake and Pequot Lakes had set their final tax levies at 0.22% and 0.96% respectively. The Mayor suggested that Nisswa should aim for a levy increase of less than 1%, which would require cutting approximately \$75,000-\$90,000 from the current proposal or potentially using reserves from the "rainy day fund."

C. Public Comment

Several residents provided comments and questions:

Kent Wilkening (25201 Birch and Pine Lane) inquired about specific budget increases in government buildings (\$67,265), police department (\$23,764), fire administration (\$18,000), and public works (\$13,000). Maggi explained that the government buildings increase primarily related to technology upgrades and security enhancements totaling about \$54,000. Police increases were for records

management systems and security improvements, while fire administration increases were for equipment replacement savings. The public works increase was mainly for wages.

Sandy Podhoffs (6053 Shady Acres Court) sought clarification on the \$290,000 contribution from the Pickle and Spirits operations, which Maggi explained was already accounted for as an interfund transfer in the expense calculations.

Robert Fear asked about the budget development process and whether department heads were ever asked to present scenarios with cuts or flat budgets. Council Member Zahn explained that the council had requested three scenarios from departments in April/May: a 10% cut, a flat scenario, and a needs-based wish list.

Jim Starkey (25997 Highland Avenue) expressed concern that while the city levy was increasing by only 4%, many residents were seeing 16-20% increases in their tax bills due to property valuations. Maggi clarified that the city was not collecting more than the set levy amount of \$3.9 million, but that the county's property valuation process resulted in disproportionate distribution of the tax burden.

Brandon Hedlin asked about the city's discretionary funds. Council members and Maggi explained that the city had approximately \$7.6 million in total cash as of August 31, 2025, with various portions assigned to specific purposes. They noted that about \$1.1 million was in excess profits from the liquor operations, and approximately \$1.3-1.4 million was allocated for public works and road projects.

D. Adjourn

After discussion among council members about budget reduction options, Council Member Zahn proposed potential cuts totaling \$168,503 that could result in a levy decrease of 0.28% rather than an increase. These cuts included:

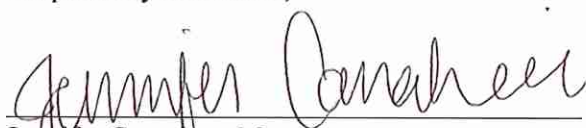
- Removing budgeted benefits for the deputy clerk position (\$18,270)
- Removing budgeted benefits for the planning and zoning director
- Reducing the investment purchase for roads and public works (\$96,963)
- Reducing county and state road project savings from \$50,000 to \$25,000
- Eliminating the employee recognition program (\$6,000)
- Removing \$4,000 from the cemetery fund

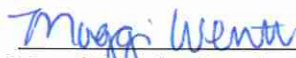
Council members expressed support for these proposed reductions, with the final vote to be taken at the regular council meeting at 7:00 PM.

Motion to adjourn was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

The meeting was adjourned at 6:51 P.M.

Respectfully Submitted,


Jennifer Carnahan, Mayor


Maggi Wentler, Interim City Administrator