CITY OF NISSWA
MINUTES – REGULAR COUNCIL MEETING
TUESDAY, MARCH 17, 2026 – 6:00 P.M.
NISSWA CITY HALL

Members present: Jennifer Carnahan, Bruce London, Joe Hall
Other Members Present: Dave Reese, City Engineer; Tom Peterson, City Attorney
Other Members Present via Zoom: Council Member Jesse Zahn; Mike Humpal SCSC; Flora Delaney and Michael Bitzer, Delaney Consulting; Chris Hoodecheck, Labor Attorney
Members absent: Council Member Mark Froehle
City staff present: Maggi Wentler, Interim City Administrator; Tom Blomer, Public Works Director; Steven Timblin, City Planner; Amber Moon Peterson, Parks & Rec Director; Brian Farrell, Spirits Manager; Terry Wallin, Pickle Manager; Todd Szymanski, Police Chief

Audience members: 15 members of the public were present

A. Call to Order

Mayor Jennifer Carnahan officially called the Nisswa City Council meeting to order at 6:05 PM on Tuesday, March 17, 2026. Councilman Jesse Zahn participated remotely via Zoom.

1. Pledge of Allegiance

Mayor Carnahan led the Pledge of Allegiance.

B. Approve Agenda

Mayor Carnahan requested a motion to approve the agenda.

Council Member Hall made a motion to approve the agenda. Council Member London seconded. Motion carried unanimously.

C. Consent Calendar

Mayor Carnahan explained that all matters listed in the consent calendar are considered routine by the Council and would be enacted by one motion, with no separate discussion unless good cause is shown prior to voting.

Council Member Hall made a motion to approve the consent calendar. Council Member London seconded. Motion carried unanimously.

D. Open Forum

1. Public Comment

Mayor Carnahan opened the floor for public comment, allowing residents to address the Council with a two-minute time limit after stating their name and address.

Andy Schaefer of 23962 Smiley Road expressed frustration about being contacted regarding the liquor committee but receiving no response since February 23rd despite previous Council discussions about connecting him with the committee.

Ronald Duy Jr. of 26735 Middle Cullen Road echoed similar concerns, stating he had called two different Council members and left three messages over the past month with no return calls. He emphasized that elected officials should return phone calls from constituents.

Bob Feir of 4984 Rubens Way requested to reserve time for comments after the Council discusses the purified water system project later in the meeting, noting he had been out of town and lacked information about the project.

E. Reports

1. City Attorney

Attorney Pearson reported having no items to share at this time, noting he had agenda items to address later in the meeting.

2. City Engineer

City Engineer Reese reported good progress on all active projects currently underway, mentioning several action items for the city Council in the evening's packet.

F. Old Business

1. Administrator/City Clerk Position

Mayor Carnahan provided background on the city's engagement with SCSC, a firm from North Mankato, to source candidates for the city administrator/clerk position. She explained that final interviews were held on February 17th, Council had alignment on a first choice candidate, and had agreed to return to the drawing board if that candidate declined. Unfortunately, the first choice candidate did decline the offer.

Mr. Humpal from SCSC, joining via Zoom, addressed the Council about moving forward. He noted they had five well-qualified candidates initially, with one accepting a position in Tonka Bay before interviews. After the top candidate declined their offer, Humpal suggested possibly re-interviewing Emily Burns in a more casual, around-the-table setting rather than proceeding immediately with a second search.

Council Member Zahn indicated he would be open to re-interviewing Burns if the Council unanimously agreed. Council Member London expressed interest in re-interviewing Emily. Council Member Hall was also open to it but questioned whether other candidates from the original pool were available.

Humpal clarified that Emily Burns was one of the four interviewed candidates, and explained that the declined candidate cited concerns about housing market costs and uncertainty about an upcoming election as reasons for declining.

Council Member Hall revealed that the personnel liaisons had made what he described as a "top tier offer" to the first candidate, who came back asking for significantly more money that was considered far out of bounds for negotiation.

After further discussion, Council Member Zahn withdrew his support for re-interviewing Emily Burns, deferring to the personnel committee to determine a path forward.

Humpal proposed a revised timeline: re-advertising April 21 to May 21, conducting assessments and background checks from May 22 to June 12, and holding interviews on June 23rd. The additional advertising costs would be approximately $1,734.

Following extensive discussion about the challenges of attracting qualified candidates given current circumstances and whether to proceed or wait until after the November election, the Council decided to table the matter.

Council Member Zahn made a motion to table the city administrator/clerk search until further notice. Council Member London seconded. Motion carried unanimously.

2. Spirits/Pickle – Consultant Services

Mayor Carnahan explained that at the February meeting, Council had motioned for the liquor committee to look into consulting companies to assess the city's liquor businesses. The liquor committee moved forward with Delaney Consulting, whose work commenced the previous Monday. Based on their initial analysis, a rescoped consulting agreement was needed.

Flora Delaney, president of Delaney Consulting, and her business partner Michael Bitzer presented via Zoom. Delaney explained they were initially contacted March 2nd with a request for evaluation of possible expansion of the Spirits liquor store, with urgency to complete the work in six weeks for $22,500. However, after Michael's on-site work the previous week, they realized the scope was insufficient for what the city actually needed.

Michael Bitzer detailed his discoveries during the initial week, finding that both the Spirits and Pickle operations needed more comprehensive analysis than originally planned. He explained they found four POS systems instead of three, capacity constraints within the city to support the work, and a need for broader operational and staffing analysis. The revised scope would take 14 weeks and cost $72,000 total.

The consultants emphasized they could still deliver analysis of the Spirits expansion opportunities within the original 6-8 week timeframe while providing comprehensive analysis of both operations by early June.

Bruce Imholte, a community member, expressed concerns about the city competing with private business through the Pickle operation, suggesting the city might be better served selling the facility to private enterprise rather than spending $70,000 on consulting.

Council Member Hall supported the recommendation, noting this would help answer exactly the types of questions raised by the public comment. Brian Farrell, Spirits manager, provided financial context, reporting that Spirits had earned between $282,000-$450,000 above expenses in recent years, including their $245,000 transfer to reduce the city levy.

Council Member Hall made a motion to move ahead with the proposal as presented. Council Member London seconded. Motion carried unanimously.

Mayor Carnahan then addressed two additional Spirits/Pickle related items. She provided extensive background on the Spirits lease situation with the Schaefers, explaining that in October 2025, the Schaefers approached the city about amending their current lease (which runs through 2029) from $17.85 per square foot to $21 per square foot to reflect property improvements and

market rates. This matter had been discussed extensively since October through multiple liquor committee meetings and Council meetings without resolution.

Mayor Carnahan noted that according to commercial real estate professionals, lease renegotiations are common when both parties agree, and new construction rates in Nisswa start at $25 per square foot, making the Schaefers' proposed $21 rate reasonable.

The discussion revealed complexities including previous Council approval of 10% expansion contingent on favorable lease rates, current lease terms with favorable CPI-tied renewals, and the need for consulting guidance before making decisions. Council members agreed that a liquor committee meeting should be scheduled for the following week to meet with the Schaefers and work toward resolution.

The Mayor also addressed Lani Thomsen's request from December to shift from full-time to four days per week while maintaining health benefits. Thompson had submitted a letter expressing disappointment at being "put off" month after month and announcing she would use vacation days for Mondays off. The liquor committee indicated this matter was on their agenda for discussion, with legal constraints requiring personnel policy changes to allow part-time employees to receive full-time benefits.

3. EDA Resolution

City Attorney Pearson explained that the enabling resolution to establish an Economic Development Authority for the City of Nisswa could not be passed that evening, as it requires a public hearing that will be scheduled for April. An organizational resolution will also be included in the April packet.

Mayor Carnahan questioned a citation reference in the resolution, noting that section 2a refers to a 3-member authority while the resolution calls for a 5-member authority. Pearson clarified that the reference pertains to appointment procedures, and confirmed the Council had decided on a 5-member authority with 2 Council members as required by statute.

4. Verizon Cell Tower Appeal

City Attorney Pearson explained that this resolution supports the Council's February decision to grant an appeal of permits approved by the Planning Commission Board of Adjustment in 2025. The resolution provides the legal reasoning for that appeal grant, after which the matter will return to Planning Commission for formal rescindment of the original approvals.

Council Member Hall questioned the specific findings of fact listed in the resolution. Pearson explained that since the Council's February motion simply granted the appeal without specific reasoning, staff had to determine what findings supported the decision. The main criticisms were procedural - that the Board of Adjustment used one set of findings for all six variances rather than making separate findings for each, and concerns about the tower height variance exceeding 150 feet.

City Attorney Pearson clarified that Planning Commission had appropriate findings for their original approvals, but the appellants criticized the process. After the resolution is approved, Planning Commission will formally rescind the permits, and the applicant could return with a different proposal, potentially including a tower under 150 feet that wouldn't require a height variance.

Council Member Zahn made a motion to approve the Verizon cell tower appeal with the proposed findings of fact as presented. Council Member London seconded. Motion carried with Council Member Hall opposing.

5. Collaboration Services

Interim City Administrator Maggi Wentler reported that the League of Minnesota Cities Insurance Trust, initially approached for collaboration services, declined to work with the city at this time and provided a list of alternative vendors. All alternative options would involve costs, unlike the League's services which would have been free as part of membership.

Council Member Zahn proposed an alternative approach rather than spending taxpayer dollars on outside collaboration services.

Council Member Zahn made a motion for the April regular meeting to move into closed session to have a collaboration session among the five Council members to openly discuss issues behind closed doors. Council Member London seconded. Motion carried unanimously.

6. 2027 Community Funding Federal Grant Consideration

City Engineer Blomer explained that he and the City Engineer had applied for federal funding through Congressman Stauber's office with a short application window. They initially applied for $14.4 million for a water system project but were told that amount was too high, with the selection committee suggesting support for projects in the $1-5 million range. They rescaled to a $4-5 million project for a 150 gallon per minute system serving the city's property at the County 77/Highway 371 intersection.

The application required a 20% city match and was submitted March 11th. Blomer noted over 100 applications were submitted with only 20 expected to receive funding.

Council Members discussed the importance of transparency and community engagement for such projects. Council Member Hall emphasized that staff did exactly what Council had directed in looking for qualifying projects within the tight deadline.

Mayor Carnahan shared that she had contacted Congressman Stauber's office and learned the application was submitted past deadline and would not meet the committee's criteria. She emphasized the importance of transparency and community support for federal funding requests, noting that shovel-ready projects with widespread community support are typically required.

Community members Bob Feir and Fred Heidmann raised concerns about the lack of a comprehensive plan and community engagement before pursuing such funding opportunities. They emphasized the need for better communication and planning processes before seeking major federal grants.

G. New Business

1. Roy Access Concerns – Laura Beeth

Laura Beeth of 8010 Whitstrom Road presented concerns about unauthorized lake access across property she has maintained for 25 years. She described safety issues with vehicles using an

informal road carved through private property to access the lake, including traffic conflicts, environmental damage, and personal safety concerns from people coming off the lake at night.

City Planner Steven Timblin explained the complexity of determining property ownership and enforcement options. The area appears to be a gap in the original plat dedication without clear ownership, making enforcement challenging.

Police Chief Szymanski noted that without clear property ownership, there's no victim for potential trespass violations, though extra patrol could be provided for traffic and parking issues.

City Attorney Pearson and Public Works Director Blomer discussed potential solutions, including the city's ability to protect its rights in Whitstrom Road by placing barriers to block illegal access from the right-of-way, while Ms. Beeth pursues private legal remedies such as quiet title action or adverse possession claims.

Council Member Zahn made a motion to authorize staff to explore options for addressing the access issue. Council Member Hall seconded. Motion carried unanimously.

2. Parks – Contract for Nisswa Lake Park Restroom

Parks Director Amber Moon Peterson presented a straightforward notice of award to Pratt for restroom work at Nisswa Lake Park. City Engineer Reese noted the quote came in within expected range and they have prior positive work experience with Pratt.

Council Member Hall made a motion to approve the park's restroom project as presented. Council Member London seconded. Motion carried unanimously.

3. Parks – Nisswa City Park DNR Outdoor Recreation Grant

Parks Director Moon Peterson requested approval of a resolution to apply for a DNR outdoor recreation grant for playground replacement at City Park. She noted the grant requires specific accessible pathways to all park areas, which increased projected costs due to additional concrete work but enhances scoring criteria through improved inclusivity and accessibility. The grant requires a 50/50 match.

Council Member Hall made a motion to approve Amber pursuing the grant as presented. Council Member London seconded. Motion carried unanimously.

4. PW – 2026 Road Bond Professional Construction Services

Public Works Director Blomer presented a proposal from WSN to provide professional construction services related to the 2026 road bond, including survey work, administrative services, construction observation, and documentation. The estimated cost is $273,600.

Council Member Hall made a motion to move ahead with the proposal for WSN to provide professional construction services for the road bond. Council Member London seconded. Motion carried unanimously.

5. PW – 2026 Road Bond Bid Recommendation

Public Works Director Blomer reported that Anderson Brothers submitted the lowest conforming bid for the 2026 road bond construction work, coming in under the city's estimate. The project

will repair multiple roads including Edna Lake Road, Roy Lane, East Roy Lake Road, and several others dating back to work planned in 2023.

Council Member Hall expressed satisfaction that the bid came in significantly under budget, representing savings for taxpayers.

Council Member Hall made a motion to approve the bid recommendation as presented. Council Member London seconded. Motion carried unanimously.

6. PW – Proposal to Plat Backage Road LRLR to Cty Rd 77

Public Works Director Blomer explained this $74,200 proposal would define right-of-way along Lower Roy Lake Road to County Road 77 to help developers and the city understand access requirements before development occurs. The cost would initially come from road department reserves and be recovered when Mills properties are sold.

City Engineer Reese explained the importance of preserving corridor access in advance of development, noting similar practices used by other communities like Cross Lake. The proposal aims to provide transparency to developers about city infrastructure expectations.

Mayor Carnahan questioned whether such planning should wait for the Economic Development Authority to be established. Staff explained the urgency of preserving these corridors before development makes them impossible to establish.

Community member Fred Heidmann challenged the proposal, arguing it deviated from the city's traditional developer-driven approach and questioned spending taxpayer money on projects without specific developer requests.

Council Member Hall made a motion to approve WSN working on the platting as presented for the backage road. Council Member London seconded. Motion carried unanimously.

7. PW – Proposal to Plat Backage Road from Cty Rd 13 to Timberwood Church

This similar proposal for $79,900 would define right-of-way for a backage road serving the other side of the intersection area. Discussion included clarification that approval would not automatically assess adjoining properties, with any future assessments requiring separate Council action during development.

Andy Schaefer questioned assessment implications for his property. Staff clarified this was just the planning phase, with property acquisition and assessments coming later if the project proceeds.

Council Member Hall made a motion to approve the proposal for planning as presented. Council Member London seconded. Motion carried unanimously.

8. PW – Proposal to Plat Backage Road Plat New City Property

This $31,300 proposal would define backage road access for the Mills property purchased by the city. Community member Sharla Fillhauer questioned whether there were interested developers and timelines for development, expressing concern about spending money without clear development plans.

Council Member Hall explained this work relates to MnDOT planning and prepares the property for future marketing. Community member Philhower advocated for waiting until the EDA is established to provide proper guidance.

Following extensive discussion about transparency and planning processes, Council Member Zahn made a motion to table the item until an EDA is established.

Council Member Zahn made a motion to table this specific item until an EDA is in place and can provide recommendations to Council. Council Member Hall seconded. Motion carried unanimously.

Council Member Zahn made a motion to rescind approval for the prior two motions and table them until a further date for consistency. Council Member Hall seconded. Motion carried unanimously.

9. Sewer Line Jetting and Televising

Public Works Director Blomer presented routine maintenance for the sewer system, explaining they haven't televised the system since installation. This $21,600 proposal from Nelson Sanitation would clean and televise the second section of the three-part system to identify pending issues and control inflow and infiltration as required by the PCA. The goal is to televise the system every 10 years for proactive maintenance.

Council Member Zahn made a motion to approve the sewer line jetting and televising proposal. Council Member London seconded. Motion carried unanimously.

10. PW- Reappoint Dil Stachour to the Public Works Committee & add Joe Hall as Second Liaison

Public Works Director Blomer requested a waiver to allow Dil Stachour to serve a third consecutive term, noting his value to the committee. He also recommended adding Council Member Hall as a second Council liaison to provide backup coverage and bring more detailed information back to Council meetings, given the high dollar impact of public works projects.

Mayor Carnahan expressed concerns about the recommendation, noting feedback from citizen committee members who were against adding a second Council member, questioning whether this approaches open meeting law issues, and wondering if it's appropriate to "stack" Council members on citizen advisory committees. She noted the irony of adding Council Member Hall to a third committee while the Mayor had been removed from all committees.

Council Member Hall defended the proposal by referencing missed information from public works presentations that didn't get communicated to the full Council.

Council Member Zahn indicated he wanted clarification from committee members before proceeding, given conflicting information about their support.

Council Member Zahn made a motion to reappoint Dale Stachour to the public works committee and to advertise for the other vacancy on the committee. Council Member Hall seconded. Motion carried unanimously.

11. Fire Department 2026 Budget and Fire Contracts

Interim City Administrator Wentler explained the annual fire department contracts with local areas and communities, with percentages based on land and building values as vetted by Cass County and Crow Wing County.

Council Member Hall made a motion to approve as presented. Council Member London seconded. Motion carried unanimously.

12. Town Hall Meeting Structure

Council Member Zahn had proposed moving town hall meetings to Council chambers to enable online connectivity and livestreaming for residents who cannot attend in person, including non-full-time residents who contribute significantly to property taxes.

Mayor Carnahan agreed with providing more access but expressed concerns about space limitations in Council chambers compared to the community center, and preferred the community center's setup where elected officials sit equally with residents rather than above them on the dais.

The discussion included the suggestion for pre-submitted questions, enhanced technology setup, and potentially longer time allocations for expanded Q&A sessions.

Council Member Zahn made a motion to have the next town hall in the Council chambers. Council Member London seconded. Motion carried unanimously.

13. Supervisors Union Contract & MOUs 1/1/2026 – 12/31/2028

Labor Attorney Chris Hoodecheck joined via Zoom to present the three-year supervisors unit agreement with 3.5% annual wage increases. The agreement includes insurance increases matching the rest of the city, reopeners for 2027-2028, specific wage increases for the fire chief including additional hourly compensation for meetings, and two MOUs covering paid family medical leave premium split and wage parity provisions.

Interim City Administrator Maggi Wentler requested grace to implement back pay from January 1st on the April 10th payroll to allow time to calculate increases and hours.

Council Member Hall made a motion to approve as presented. Council Member London seconded. Motion carried unanimously.

14. Clerical Union Contract & MOUs 1/1/2026 – 12/31/2028

The labor attorney presented the clerical unit contract covering one employee, with terms mirroring the supervisors unit except for the fire chief specific provisions.

Council Member Hall made a motion to approve as presented. Council Member London seconded. Motion carried unanimously.

15. Teamsters Union Contract & MOU 1/1/2026 – 12/31/2028

The three-year Teamsters agreement includes a 4% increase in 2026 (higher due to law enforcement retention needs), 25-cent shift differential increase, and an MOU allowing employees to supplement wages with other paid leave during Minnesota paid leave usage.

Council Member Hall made a motion to approve as presented. Council Member London seconded. Motion carried unanimously.

16. Recommendation to move to Closed Session pursuant to MN Statute 13D.03 for Union Negotiations

Labor Attorney Chris Hoodecheck indicated this item was no longer needed since all three union agreements were approved, so the closed session was unnecessary.

H. Council/Liaison Reports

1. Mayor

Mayor Carnahan reported attending the League of Minnesota Cities Elected Leaders Conference in February, a valuable two-day training and networking session with elected officials statewide. She plans to attend the annual League conference in Rochester this summer and encouraged other Council members to participate.

2. Council Members

Council Member London had no report.

Council Member Hall addressed ongoing conflicts with the Mayor, stating he would not tolerate what he described as inappropriate behavior behind the scenes and referencing a staff letter. He emphasized his intent to stand up for city staff and called for changes in behavior and leadership approach.

Mayor Carnahan responded that she would continue advocating for transparency, inclusivity, and overcommunication as promised during her campaign. She noted the exhausting nature of ongoing conflicts and emphasized that policy disagreements should be resolved at the ballot box in the November election.

The exchange escalated with specific accusations about lying, manipulation, and procedural violations, with both parties expressing frustration about working relationships and communication patterns.

Council Member London expressed concern about negative social media activity affecting the city's reputation and questioned where negative information was originating.

Council Member Zahn concluded by emphasizing that the city deserves better and calling for the Council to find a path forward to accomplish positive things in the remaining months, noting the need for collaboration rather than continued conflict.

I. Announcements & Upcoming Meeting Dates

The following meetings were announced:

- March 25, 2026 Public Works Committee Meeting 5:00PM
- April 2, 2026 Parks Commission Meeting 5:00PM
- April 7, 2026 Planning Commission Meeting 5:00PM
- April 21, 2026 Regular City Council Meeting 6:00PM
- April 29, 2026 Public Works Committee Meeting 5:00PM

J. Adjourn

Motion by Council Member Hall to adjourn. Motion seconded by Council Member Zahn. Motion carried unanimously.

The meeting was adjourned at 10:09 PM.

Respectfully submitted,

Jennifer Carnahan, Mayor

Maggi Wentler, Interim City Administrator