

**CITY OF NISSWA
MINUTES – REGULAR COUNCIL MEETING
TUESDAY, MAY 19, 2026 – 6:00 P.M.
NISSWA CITY HALL**

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

Other Members Present: Dave Reese, City Engineer; Bill Westerberg, Widseth; Tom Pearson, City Attorney

Other Members Present via Zoom: Mike Humple, SCSC; Flora Delaney and Michael Bitzer, Delaney Consulting; Heather Casperson, Financial Advisor with PFM; Jake Frie, DNR Hydrologist; Maggi Wentler, Interim City Administrator

City staff present: 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; Shawn Bailey, Fire Chief; Jane Michaud, Deputy Clerk

Audience members: 30 members of the public were present

A. Call to Order

Mayor Carnahan called the Regular City Council Meeting to order on Tuesday, May 19, 2026 at 6:00 PM at Nisswa City Hall. Prior to the Pledge of Allegiance, Mayor Carnahan acknowledged the efforts of the Nisswa Fire Department for their work over the preceding weekend protecting the area.

1. Pledge of Allegiance

Mayor Carnahan led the Pledge of Allegiance.

B. Approve Agenda

Mayor Carnahan proposed amendments to the Agenda, moving the Spirits Lease from New Business to Old Business item 2, as it had been discussed at numerous prior Council meetings. The Hills Crossing Street Lights item was also reordered.

Motion to approve the amended Agenda as presented was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

C. Consent Calendar

Motion to approve the Consent Calendar as presented was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

D. Open Forum

1. Public Comment

Three members of the public addressed the Council during Open Forum.

Tina Foster spoke regarding the City water tower discussion, referencing comments made at a community event the prior evening. She indicated that based on her own research, the most recent water infrastructure plan pertained only to the airport property and was estimated at \$4–5 million, not the \$60 million figure she had heard referenced. She also raised questions about a grant application that she was told required unanimous Council approval but received a 4-to-1 vote, and noted uncertainty around what actions require community consent.

A member of the Nisswa Fire Department clarified for the record that the department has access to multiple water sources, including a 10,000-gallon cistern beneath the fire hall and the ability to draw from lakes regardless of season. He emphasized that a water tower has no bearing on the fire department's operational capability.

Monica Anderson of Camp Lincoln Road inquired about development plans for several vacant commercial properties in the City, including the former Wendy's location and the Roundhouse. Mayor Carnahan directed her to the EDA Agenda item for further discussion.

E. Reports

1. City Attorney

City Attorney Pearson reported no items.

2. City Engineer

Public Works Director Blomer reported that street projects for 2026 are beginning construction, with future design work also on the horizon.

F. Old Business

1. Administrator/City Clerk Position (SCSC)

Mike Humple of SCSC presented a draft recruitment timeline for the City Administrator/City Clerk position. The timeline outlined advertising beginning June 1, application review and candidate assessments through July, finalist interviews scheduled for the week of August 18, and a one-day interview session. Council directed SCSC to proceed with the search timeline, with the memo to be distributed and discussed at a later date.

Motion to approve the draft timeline as presented by SCSC for the City Administrator position was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

2. Spirits Lease *(added from New Business)*

Spirits in Nisswa Manager Brian Farrell provided background on the lease situation. The City has leased its liquor store space from the Schaefer family since 2002 and is currently in its second amended lease at \$17.89 per square foot, totaling approximately \$108,628 annually, with the term running through March 2029 and one 7-year extension available. The Schaefer family requested an increase to \$21.00 per square foot, representing approximately \$18,883 in additional annual cost. If the City declines, the Schaefer family indicated the loading dock—used by Spirits for 24 years—would no longer be available, requiring deliveries through the front entrance.

City Attorney Pearson presented three options developed through the Liquor Committee: **Option 1** — adopt a CPI-adjusted rate of \$21.00 per square foot immediately through the remainder of the current term and final extension through 2033; **Option 2** — rewrite the second extension commencing in 2026 at \$21.00 per square foot through 2033, with a new CPI calculation triggering the third and final extension through 2040; **Option 3** — make no changes and accept front-door deliveries going forward. The Liquor Committee had reached a consensus in favor of Option 2. Delaney Consulting, retained by the City to assess its municipal businesses, recommended Option 3, citing no business need for expanded space and a preference for preserving the City's flexibility. A member of the public questioned why the Council appeared prepared to disregard the consultants' recommendation. City Attorney Pearson clarified that the existing termination clause—allowing the City to exit the lease on 60 days' notice—applies through any extension, preserving City flexibility regardless of option chosen.

Motion made by Council Member Hall and Seconded by Council Member Zahn to approved Option 2 with corrected dates provided by Interim City Administrator Wentler. A roll call vote resulted in a 2–2 tie (Council Members Hall and London in favor; Council Members Zahn and Froehle opposed). Mayor Carnahan abstained, citing a desire to await the full Delaney Consulting report due in June before voting. Motion failed.

The matter remains open and is expected to return following the June consulting debrief.

2. EDA

a. Appointing Members

b. Organizational Resolution/Appoint Members

Mayor Carnahan reported that the application window for EDA membership had closed with approximately 11–12 applications received. She and Tyler Glenn of BLADEC conducted five interviews on the day of the meeting and planned to complete remaining interviews on June 2. Mayor Carnahan noted that per Minnesota Statute §469.095, EDA commissioners are appointed by the Mayor subject to Council approval, and that she would proceed accordingly.

A discussion ensued regarding the process followed for the appointments. Council Member Hall raised concerns that the process deviated from a Council motion passed in April establishing a different procedure. City Attorney Pearson acknowledged that while the statute governs appointments, it does not preclude the Council from setting process guidelines, and that the April

Minutes reflected a different protocol. Council Member Hall also expressed concerns about the transparency of the process, given that all Council Members were not informed about the procedures and the scheduled interviews. Mayor Carnahan clarified that she had been following Minnesota Statute which details that EDA appointments are Mayoral responsibilities, subject to the approval of the Council. She assured the Council that all applicants would be interviewed and that Council Members could individually choose to interview candidates as well, if desired.

Mayor Carnahan further explained that input from Council Members would be considered before she presents her appointments for approval. Tyler Glenn also mentioned that the process being followed is consistent with practices seen in other cities, such as Brainerd, where the Mayor makes appointment requests to the Council. This elicited differing viewpoints from the Council, with some members feeling excluded from the process initially outlined in the April meeting's motion. However, Mayor Carnahan reiterated her openness to Council involvement in interviews and feedback, aiming to ensure a fair and comprehensive evaluation process before final appointments are made.

Mayor Carnahan maintained her position that Mayoral appointments are consistent with state statute and best practice guidance received from the League of Minnesota Cities and other Mayors. Tyler Glenn confirmed there is no single standard process across cities and indicated that all applicants must complete the City's official application to be considered. As appointments were not yet ready, no Council action was taken. The item will return at the June meeting.

3. PW- Hills Crossing Street Lights

Public Works Director Blomer reported that the Public Works Committee, following a May 11 special meeting, recommended approval of streetlights for the Hills Crossing development, with the costs to be paid by Hills Crossing rather than the City.

Motion to approve the Hills Crossing streetlights proposal was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

4. PZ - Zoning Violation Complaint

Planning & Zoning Director Steven Timblin presented his findings following a site visit on April 29, 2026. He determined that no ongoing commercial operation was present on the subject property and that the structure in question was a pre-existing nonconformity predating current official controls. Council Member Zahn confirmed that all complaints were found to be either unsubstantiated or unregulated. No action was required and the matter was considered closed.

5. Grand View Lodge Public Access

Mayor Carnahan summarized the background from the May 12th Special Council Meeting, which focused on the public access at the end of Woodward Avenue, including a seasonal shed placed partially on the public right-of-way, temporary barriers restricting vehicle access, and dock placement in the lake. A motion at that meeting to allow provisional shed placement failed

3-2, and a subsequent motion directed a task force to develop a recommendation for this meeting.

Planning & Zoning Director Timblin presented a two-part recommendation: (1) provisional approval for structural placement contingent on Grand View Lodge concurrently submitting an Interim Use Permit (IUP) application, with the Planning Commission and Board of Adjustment (PCBOA) acting in an advisory capacity to the Council; and (2) a separate action on signage and barricades, to be managed by Public Works and Public Safety, with the City owning the barricades.

DNR Area Hydrologist Jake Frie participated remotely and advised that under current public water rules, the existing dock arrangement does not constitute a navigation obstruction or water safety hazard based on aerial photography reviewed. He noted that dock setback from property lines falls under the county's water surface ordinance administered by the Crow Wing County Sheriff's office, not the DNR.

Several members of the public were present to voice their concerns. Opposition to allowing the shed on the public access was prominent, with many fearing it would diminish public use and set a precedent. Concerns were also noted regarding Grand View's ample existing lakeshore frontage and whether additional space was necessary. A firefighter raised practical considerations about emergency water access if the shed and barricades restricted movement.

The council then proceeded with deliberations.

Motion made by Council Member Hall and seconded by Council Member London to approve Mr. Timblin's full recommendation (shed and barricades). Motion failed on a 3-2 roll call vote (Council Members Hall and London in favor; Council Members Froehle and Zahn and Mayor Carnahan opposed).

Mayor Carnahan noted her desire to pursue a broader community task force for a longer-term solution. A separate motion was then made to address only the barricades and signage.

Motion made by Council Member Froehle and seconded by Council Member Hall that the barricades and signage remain as is. The motion carried 5-0.

Public Works Director Blomer confirmed on the record that the barricades are City-owned. Grand View Lodge's path forward for the shed structure is to submit a formal IUP application for review by the PCBOA, with a public hearing targeted for July 7, 2026.

G. New Business

1. Spirits Lease

(This item was moved to Old Business at the start of the meeting and addressed above.)

2. PZ- Schaefer's Sign Proposal

Planning & Zoning Director Timblin presented a proposal from Andrew Schaefer for a freestanding dynamic display sign. The proposed location is on Schaefer's property but falls within the Smiley Road right-of-way, requiring a Conditional Use Permit (CUP) and concurrent Council action on the right-of-way encumbrance. Timblin recommended the Planning Commission act in an advisory capacity with final approval by the Council.

Motion to accept the sign proposal and proceed with action as submitted was made by Council Member Hall and seconded by Council Member London. The motion carried unanimously.

3. PZ – Chapter 20 Ordinance Amendments

a. Motion to Approve

Planning & Zoning Director Timblin reported that the Planning Commission and Board of Adjustment completed three months of extensive review of proposed amendments responsive to consultant recommendations and recommended adoption by the City Council. A separate citizen-initiated process related to tower regulations was noted as forthcoming through its own legislative pathway.

Motion to approve the Chapter 20 Ordinance Amendments as presented was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

b. Motion to Publish Summary

Motion to publish the summary of the Chapter 20 Ordinance Amendments was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

4. Community Center – Pay Application 1 for the Community Center

Pay Application 1 for the Community Center updates was presented. Interior work was reported as substantially complete, with minor siding work remaining.

Motion to accept Pay Application 1 as presented was made by Council Member Hall and seconded by Council Member Froehle. The motion carried unanimously.

5. PW – Cost Sharing Agreement for the 2027 Road Bond Lakers Lane & ISD 181

Public Works Director Blomer presented a cost-sharing agreement drafted by City Attorney Pearson to divide improvement costs for Lakers Lane between the City and Independent School District 181. ISD 181's share was determined to be 23%, reflecting the extent of improvements attributable to the school property.

Motion to approve the cost sharing agreement for the 2027 Road Bond for Lakers Lane and ISD 181 was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

6. PW- Final Engineering for 2027 Road Bond Construction

Public Works Director Blomer reported that the Public Works Committee recommended approval of final engineering for the 2027 road bond following the May 11 sidewalk summit. The scope includes sidewalks on both sides of Church Street from Lakers Lane to the end of the church parking lot, with a continuation likely to Poplar Street subject to an additional public information meeting.

Motion to approve the final engineering for 2027 road bond construction as presented in the amount of \$345,000 was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

7. PW – Cemetery Expansion Proposal

This item was removed from the Agenda at the request of the individual who had submitted it.

8. PW- Lift Station #1 (Information Only)

Public Works Director Blomer reported that engineering plans for Lift Station No. 1 are 98 percent complete. The project is pending acquisition of property needed for the expansion. Lead times on electrical components are being tracked, with construction anticipated as early as spring 2027. Blomer also provided a brief update on the sewer pond liner situation: a proposal for engineering work will be received at the May 27 Public Works Committee meeting, with financing to be pursued through the Public Financing Authority (PFA) priority project list and potentially interim funding through rural water. No Council action was required.

9. PW – Remove Cole Johnson from Probation

Public Works Director Blomer recommended removing Cole Johnson from probationary status. Johnson was hired October 15, 2025 and became eligible for removal from probation on April 15, 2026. Staff reported he has been an outstanding addition to the department.

Motion to remove Cole Johnson from probation was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

10. PW_2026 GO Street Reconstruction Resolution

Financial Adviser Heather Casper of PFM reported that the City's bond sale was held that morning, with four bids received. The winning bid was submitted by Robert W. Baird and Company. The total interest cost came in approximately \$500,000 lower than estimates presented at the April 21 workshop, representing roughly \$30,000 in annual savings. Moody's Investor Service affirmed the City's Aa2 credit rating for this issue. Casper credited Interim Administrator

Wentler and Public Works Director Blomer for their strong presentation to Moody's. Bond proceeds are expected to close and be received on June 2, 2026.

Roll call vote on the resolution providing for the issuance and sale of \$3,645,000 General Obligation Street Reconstruction Bonds, Series 2026A, and levying a tax for payment thereof, awarding the bond issue to Robert W. Baird and Company, was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried 5–0.

11. Liquor Licenses

Interim City Administrator Wentler presented the standard annual renewal of liquor licenses for businesses operating within the City limits, contingent on submission of all required documentation.

Motion to approve the 2026–2027 liquor licenses as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

12. Liquor Committee Meetings

Council Member Zahn recommended dissolving the Liquor Committee entirely, citing inconsistent meeting schedules, lack of public access to meetings, and the forthcoming comprehensive Delaney Consulting report that is expected to provide strategic direction for both City-owned business enterprises. Mayor Carnahan expressed agreement, noting the committee's inconsistency and the fact that, unlike other City committees, it includes no public members. Andy Schaefer, speaking from the floor, also expressed support for dissolution, noting that private meetings had contributed to confusion around the Spirits lease negotiations.

Motion to dissolve the Liquor Committee was made by Council Member Hall and seconded by Council Member Zahn. The motion carried unanimously.

H. Council/Liaison Reports

1. Mayor

Mayor Carnahan reported that she hosted a "Straight Talk with the Mayor" community forum at the Legion the prior evening, with strong turnout and a wide range of topics discussed. A written summary will be prepared and distributed to staff and Council following Memorial Day.

2. Council Members

Council Member London recognized the Nisswa Fire Department for their sacrifice and courage during the previous weekend's response, and expressed gratitude to community members and businesses—including Emma from the A&W, the Raffertys, Lakes Area Heroes, and the American Legion—for supporting the firefighters.

Council Member Zahn suggested that Council amend the Agenda format going forward, placing Mayor and Council Member reports after the Consent Calendar and Open Forum rather than at the end of the meeting, consistent with the format used by the City of Crosslake.

Motion to reorder the Agenda format to place Council and liaison reports earlier in the meeting was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

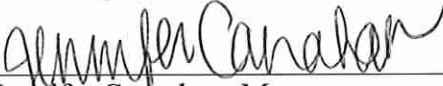
I. Announcements & Upcoming Meeting Dates

- May 25, 2026 — Memorial Day, City Hall Closed
- May 27, 2026 — Public Works Committee Meeting, 5:00 PM
- June 2, 2026 — Planning Commission Meeting, 5:00 PM
- June 4, 2026 — Parks Commission Meeting, 5:00 PM
- June 9, 2026 — Town Hall, 5:00 PM
- June 16, 2026 — Regular City Council Meeting, 6:00 PM
- June 19, 2026 — Juneteenth, City Hall Closed
- June 24, 2026 — Public Works Committee Meeting, 5:00 PM

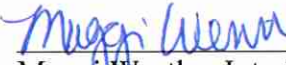
J. Adjourn

Motion to adjourn was made by Council Member Froehle and seconded by Council Member Zahn. The motion carried unanimously. The meeting was adjourned at 8:47 PM.

Respectfully submitted,



Jennifer Carnahan, Mayor



Maggi Wentler, Interim City Administrator

