CITY OF NISSWA
MINUTES – REGULAR COUNCIL MEETING
TUESDAY, JUNE 16, 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
Present via Zoom: Auditor Ryan Schmidt, Schlenner Wenner & Company
City staff present: Interim City Administrator, Maggi Wentler; Tom Blomer, Public Works Director; Steven Timblin, City Planner; Amber Moon Peterson, Parks & Rec Director; Terry Wallin, Pickle Manager; Todd Szymanski, Police Chief; Jane Michaud, Deputy Clerk

Audience members: 12 members of the public were present

A. Call to Order

Mayor Jennifer Carnahan called the Regular City Council Meeting of the City of Nisswa to order on Tuesday, June 16, 2026, at 6:00 PM at Nisswa City Hall.

1. Pledge of Allegiance

B. Approve Agenda

Mayor Carnahan requested that an LG-220 Lakes Area Heroes gambling permit be added to the Consent Calendar without objection. The amendment was accepted without objection.

Motion to approve the agenda as amended was made by Council Member Froehle and seconded by Council Member Zahn. The motion carried unanimously.

C. Consent Calendar

The Mayor noted that all matters listed under the Consent Calendar are considered routine and will be enacted by one motion.

1. Fire Department Report – May 2026
2. Parks and Recreation Report – June 2026
3. Pickle Report – May 2026
4. Police Report – June 2026
5. Public Works Department Report – June 2026
6. Planning & Zoning Report – June 2026
7. Spirits Report – May Draft 2026
8. City Council Special Meeting Grand View Lodge Meeting Minutes, May 12, 2026
9. City Council Regular Meeting Minutes, May 19, 2026
10. Personnel Updates – June 2026
11. Presentation of Claims – Check register #156903–157001 totaling $357,135.22
12. Fire Donation Resolution – Nisswa Lions – EPPI
13. Fire Donation Resolution – Nisswa Lions – Helmets
14. LG-220 Lakes Area Heroes Gambling Permit *(added by amendment)*

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. Council/Liaison Reports

1. Mayor

Economic Development Authority (EDA): The Mayor reported that three rounds of candidate interviews had been conducted, with interviews held on May 1, May 19, June 2, and June 16. Candidates interviewed to date include Bruce Imholt, Andy Schaefer, Don Southworth, Bob Fear, Greg Neumeyer, Valerie Wilkening, Shawn Hansen, Jake Huser, Galen Strovers, Charlotte Fillhauer, Kyle Allen, Tina Foster, Steve Larsen, and Mike Foy. One remaining candidate, Brandon Hedland, had not yet been interviewed due to scheduling conflicts. The Mayor stated she is targeting the July Regular Council Meeting for presenting appointments, contingent upon completing the final interview and consulting with Tyler Glenn of Bladek.

Town Hall: Mayor Carnahan thanked attendees of the June 9 Town Hall, noting it was the first of the year and part of an ongoing effort to engage the community.

Police Department Ride-Along: The Mayor shared that she completed a ride-along with Officer Hines on May 29 and expressed appreciation for Chief Szymanski's leadership.

Community Events: Mayor Carnahan noted her participation in the Nisswa Legion Memorial Day program, which included remarks from the state representative, state senator, and a 4th-grade student who had won an essay contest. She also attended the 6th Annual Fast Eddie's Classic Car Show, a charity event benefiting local cancer causes.

National Museum of Asian Pacific American History and Culture: Mayor Carnahan announced she had been invited to speak at a listening session in St. Paul related to efforts to establish a museum in Washington, D.C., and expressed honor in representing the City of Nisswa.

Special Closed Session – Litigation Update: Mayor Carnahan proposed scheduling a special closed session meeting with attorneys from Kennedy and Graven for a litigation update covering both pending matters. Available dates identified were July 29, 30, and 31, with a suggested 8:00 AM start time. Council members indicated general availability and agreed to respond by email once dates were distributed by staff.

2. Council Members

Council Member Froehle shared information about the Brainerd Lakes Bike and Walk Safety project, encouraging the public to visit the project webpage at bit.ly/BrainerdLakesBikeWalkSafety to submit comments supporting improved walking and biking infrastructure throughout the county. Council Members London, Zahn, and Hall had no reports.

E. Reports

1. City Attorney

City Attorney Pearson had no report at this time.

2. City Engineer

The City Engineer reported that work on the 2026 and 2027 street improvements is ongoing and continuing forward.

F. Old Business

1. Pickle – New Chairs for Bar

At the April meeting, Council Member Zahn had requested this item be deferred until after a full liquor operations assessment by Delaney Consulting. Mayor Carnahan noted the assessment had been rescheduled from June 16 to June 25. The Council agreed to table the matter pending receipt of the assessment report.

Motion to table the Pickle new chairs discussion pending receipt of the Delaney Consulting liquor operations assessment was made by Council Member Hall and seconded by Council Member Zahn. The motion carried unanimously.

2. Pickle – Walk in Cooler Repairs

Pickle Manager Terry Wallin addressed the Council, indicating he would prefer to defer repairs until the fall when business slows, as closing the off-sale liquor store for several days during peak summer season would be disruptive. Interim City Administrator Maggi Wentler urged the Council not to delay further, noting the city is incurring approximately $1,000–$2,000 per month in additional operating costs due to the cooler's condition. Mr. Wallin confirmed that beer distributors could provide a refrigerated truck during repairs, allowing the work to proceed without a full closure of the establishment.

Motion to approve payments to Hytec for the walk-in cooler repairs in the amount of $10,535 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

3. Spirits Lease

Mayor Carnahan noted that she had abstained from voting on this item at the prior meeting and again requested it be tabled pending completion of the Delaney Consulting liquor assessment, which was rescheduled to June 25.

Motion to table the Spirits Lease pending receipt of the Delaney Consulting liquor operations assessment was made by Council Member Froehle and seconded by Council Member London. The motion carried 4-1, with Council Member Hall opposed.

4. EDA

a. Appointing Members & b. Organizational Resolution/Appoint Members

This item generated substantial discussion among the Council. Mayor Carnahan reiterated the status of the interview process and her intention to bring forward appointment recommendations at the July Regular Meeting following the completion of the final interview with Brandon Hedland and a consultation with Tyler Glynn of BLADC.

Council Member Hall expressed frustration with the pace of the process, stating he had spoken with Tyler Glynn that afternoon and had received recommendations on five strong candidates.

He indicated he was prepared to make a motion to move appointments forward. Mayor Carnahan clarified that under state statute, EDA appointments are mayoral appointments subject to Council confirmation, and that she was not prepared to appoint until the process was complete. A disagreement arose over the interpretation of state statute, with Mayor Carnahan and City Attorney Pearson offering differing views; the Mayor indicated she would bring an expert in EDA law to the next relevant meeting.

Council Member Zahn acknowledged the urgency of establishing the EDA given the seasonality of development and the length of time the city has held the subject property, and expressed that the delay was a source of genuine concern for the full Council. He proposed adding the EDA item to the upcoming special meeting scheduled for June 25 in conjunction with the Delaney report presentation. Interim City Administrator Wentler confirmed this could be accommodated.

City Attorney Pearson advised against Council Member Hall's suggestion to put forward his own list of nominees, recommending instead that a motion be made requiring the mayor to bring appointment recommendations to the June 25 special meeting, with the Council reserving the right to take action if she was not prepared to do so at that time.

Motion to add the EDA appointment discussion to the June 25 special meeting agenda was made by Council Member Zahn and seconded by Council Member London. The motion carried.

Motion that if the Mayor is not prepared to make appointment recommendations at the June 25 special meeting, the Council will take appropriate action was made by City Attorney Pearson (as a recommended secondary motion), moved by Council Member Zahn and seconded by Council Member Froehle. The motion carried.

G. New Business

1. City of Nisswa Audited Financial Statements for Year Ended December 31, 2025

2025 Audited Financial Statements and 2025 Report to Member of Governance

Auditor Ryan via Zoom provided an overview of the audit process and results. The City received an **unmodified (clean) opinion**, the highest standard available. The audit process proceeded smoothly, with Interim City Administrator Wentler acknowledged for her preparation. Notable findings and financial highlights included the following:

Internal Controls and Compliance: The audit identified three standard findings typical for a city of Nisswa's size: audit-assisted year-end adjustments, a lack of segregation of duties due to limited accounting staff, and the auditor's preparation of financial statements as a third party. No instances of noncompliance with Minnesota statutes were identified.

General Fund: Revenues exceeded budget by approximately $51,000 and expenditures were under budget by approximately $14,000. Significant transfers out included approximately $550,000 to the Parks and Recreation fund for an upcoming project and approximately $534,000 to the City Hall project fund, resulting in an overall decrease in fund balance of approximately $970,000 for the year. The unassigned fund balance ratio remained at 110%, above the city's 100% policy minimum.

Project Funds: The Gull Lake Trail project fund and capital project fund both carried deficit balances at year-end, with reimbursements and a debt issuance anticipated in early 2026 to cover those deficits.

Debt Service and Non-Major Funds: The debt service fund saw an increase in fund balance of approximately $186,000. Non-major funds increased by approximately $926,000 due to the cash transfers noted above. Outstanding governmental debt is scheduled to taper off through 2040, with a notable drop in payments after 2027.

Liquor Fund: Operating income was approximately $452,000, consistent with prior years. A transfer of $290,000 was made to the general fund, with a net increase in position of approximately $160,000 for the year.

Sewer Fund: Operating revenues increased approximately $42,000, with a net increase in position of approximately $219,000 for the year, supported in part by $214,000 in connection fees.

Motion to approve and certify the 2025 Audited Financial Statements and the 2025 Report to Members of Governance was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

2. Parks – Community Center Pay Application #2

Staff noted the project is in its final stages, with at least one more pay application anticipated before closeout.

Motion to approve Pay Application #2 for community center updates in the amount of $523.79 as presented was made by Council Member Froehle and seconded by Council Member Zahn. The motion carried unanimously.

3. Parks – Braun Proposal Material Testing for GLT

This proposal covers final material testing on concrete and bituminous for the Gull Lake Trail bathroom portion of the project.

Motion to approve the Braun proposal for construction materials testing services for the Gull Lake Trail in the amount of $8,133 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

4. PZ - Schaefer's Sign

City Planner Steven Timblin presented a two-part action item arising from the Planning Commission's review of a Conditional Use Permit (CUP) for a dynamic display sign on a proposed freestanding sign within an existing curb island. The item had been previewed by Council at the prior month's meeting.

a. CUP

Motion to approve the CUP as presented was made by Council Member Hall and seconded by Council Member London. The motion carried unanimously.

b. Right of Way Authorization

City Planner Timblin noted that city code prohibits signs within the right of way, and that any right-of-way encroachment requires Council approval along with review by public works, engineering, and legal staff. He stated that his recommendation is generally to avoid placement within the right of way, but that an agreement could be drafted and brought forward if the applicant formally pursues that pathway. City Attorney Pearson confirmed the agreement would be brought back for approval at the July meeting.

Motion to approve the right-of-way authorization and direct staff to prepare an agreement for presentation at the July Regular Council Meeting was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

5. PZ - Roy's Landing – Future Road Connection Adjustment

City Planner Timblin presented a boundary line adjustment application between two lots within the plat of Roy's Landing. The Planning Commission and Board of Adjustment recommended approval contingent on the City releasing and relocating an easement it holds for a possible future road connection from Roy Lane to Bass Lake Road. Staff recommended authorizing the City Attorney and staff to execute the necessary changes, with final execution moving forward to July.

Motion to approve the Roy's Landing boundary line adjustment and easement release/relocation as presented was made by Council Member Hall and seconded by Council Member London. The motion carried unanimously.

6. PZ- Communication Tower

City Planner Timblin requested Council direction to include communication tower ordinance language in the next phase of the city's ordinance revision process, and for staff to develop materials clarifying the administrative appeal process for planning commission and board of adjustment determinations. The request originated from residents Paula West and Roger Landers. Mr. Timblin noted that before investing significant staff time, he sought Council authorization to conduct analysis of neighboring municipalities' ordinances and bring forward regulatory language consistent with the City's comprehensive plan through the proper planning commission review process. Council Member Hall confirmed that no cell tower providers had recently contacted the city.

Motion to approve the communication tower review considerations as presented, directing staff to proceed with ordinance analysis and the development of appeal process materials, was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

7. WW - Pond 2 Proposal/Agreement for Professional Services

Public Works Director Tom Blomer presented a proposal from WSN to provide engineering plans and specifications for the liner replacement of sewer pond number 2. He noted that the ponds, originally built with a 20-year lifespan, are now 35 years old. The scope of services fee is not to exceed $130,000, to be funded initially from the sewer fund, with the actual construction project anticipated to require future bond financing. Council Member Froehle inquired about the condition of the other two ponds; Mr. Blomer confirmed that the proposal follows a PFA funding

track under which all three ponds built at the same time would be assessed. Discussion also touched on the need to evaluate whether current reserve levels are adequate for large infrastructure items of this nature.

Motion to approve the Pond 2 proposal/agreement for professional services from WSN was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

8. PW – Braun Proposal Material Testing for 2026 Road

Public Works Director Blomer presented an à la carte proposal from Braun for materials testing services during the 2026 road construction project. The estimated fee is $39,028, though actual costs are expected to be lower, and costs will be credited back as part of the overall construction project cost.

Motion to approve the proposal from Braun for construction materials testing services for the 2026 Road project as presented was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

9. PW - Approve hire of Chris Kostek

Public Works Director Blomer presented the hire of Chris Kostek as a replacement maintenance technician, filling the position vacated by Peter Carey. Mr. Kostek began employment on June 1, 2026. The position is fully budgeted for 2026 at a starting rate of Grade 9, Step 1 at $26.68 per hour.

Motion to confirm the hire of Chris Kostek as replacement maintenance technician as presented was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

10. Spirits – Pay Raise for Joey Hendrickson

Interim City Administrator Wentler explained that Joey Hendrickson has taken on keyholder responsibilities, which per established city process results in a one-step pay increase.

Motion to approve the pay increase for Joey Hendrickson from Step 3 to Step 4 as presented was made by Council Member Hall and seconded by Council Member Froehle. The motion carried unanimously.

11. Teamsters Union MOA Resolution

Interim City Administrator Wentler explained that certain provisions approved by memo in 2025 — including vacation adjustments and the addition of a 10th step to the wage schedule — were inadvertently omitted from the 2026–2028 Teamsters Union contract. This Memorandum of Agreement corrects those omissions. Ms. Wentler requested a reasonable timeframe to process the associated back pay accurately.

Motion to approve the Teamsters Union Memorandum of Agreement as presented was made by Council Member Hall and seconded by Council Member Froehle. The motion carried unanimously.

H. Open Forum

Katie Ellsworth, 26210 Edna Lane, encouraged the public to visit the Brainerd Lakes Bike Walk Safety project website to submit comments, noting that public input would help drive positive infrastructure changes in the region. She also suggested the Council consider developing a mobile app for citizen communications, citing a similar initiative recently undertaken by Pequot Lakes as a potential model.

Andy Schaefer, 6295 Nashway Road, asked what recourse the Council would have if they disagreed with the Mayor's EDA appointments. He also noted that the rescheduling of the Delaney liquor assessment to June 25 had not been publicly announced, and raised the importance of transparency in communicating such changes to residents. Interim City Administrator Wentler noted she had sent an email to the Council late the prior evening and confirmed the meeting packet and agenda would be posted online.

I. Announcements & Upcoming Meeting Dates

1. June 24, 2026 – Public Works Committee Meeting, 5:00 PM
2. July 2, 2026 – Parks Commission Meeting, 5:00 PM
3. July 3, 2026 – 4th of July – City Hall Closed
4. July 7, 2026 – Planning Commission Meeting, 5:00 PM
5. July 21, 2026 – Regular City Council Meeting, 6:00 PM
6. July 29, 2026 – Public Works Committee Meeting, 5:00 PM

J. Adjourn

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

Respectfully submitted,

Jennifer Carnahan, Mayor

Maggi Wentler, Interim City Administrator