

**CITY OF NISSWA
MINUTES – REGULAR COUNCIL MEETING
TUESDAY, JULY 21, 2026 – 6:00 P.M.
NISSWA CITY HALL**

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

Members Absent: Joe Hall

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

Present via Zoom: Flora Delaney, Delaney Consulting with Michael Bitzer present in person

City staff present: Interim City Administrator, Maggi Wentler; Tom Blomer, Public Works Director; Amber Moon Peterson, Parks & Rec Director; Terry Wallin, Pickle Manager; Brian Farrell, Spirits Manager; Todd Szymanski, Police Chief

Audience members: 28 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, July 21, 2026, at 6:00 PM at Nisswa City Hall.

1. Pledge of Allegiance

Mayor Carnahan led the Pledge of Allegiance.

B. Approve Agenda

Mayor Carnahan proposed moving Agenda item G.12 (Waiver of Conflict-of-Interest, Severson Porter Law) to the first position under New Business, as the individual involved, Debra Cruz, was present in the audience.

Mayor Carnahan also noted that Ms. Cruz had submitted an email earlier that day requesting that a lot split appeal be added to the Agenda. Upon inquiry, it was confirmed that no Council members had received Ms. Cruz's email of July 17th regarding this request. City Attorney Pearson advised that the request did not comply with ordinance requirements for Agenda placement, and that a process had already been established to bring the matter before the Planning Commission on August 4th. Ms. Cruz was advised she could address the Council during Open Forum.

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

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

The following items were approved as part of the Consent Calendar:

1. Fire Department Report – June 2026
2. Parks and Recreation Report – July 2026
3. Pickle Report – June 2026
4. Police Report – July 2026
5. Public Works Department Report – July 2026
6. Planning & Zoning Report – July 2026
7. Spirits Report – July
8. City Council Regular Meeting Minutes, June 16, 2026
9. City Council Special Meeting Minutes, June 25, 2026
10. Personnel Updates – July 2026
11. Presentation of Claims – Check register #156832–157204 totaling \$1,309,938.61
12. Community Center Donation Resolution – Nisswa Lions
13. Special Event Permit – The Handcraft Collective – August 1, 2026
14. Street Use Permit – A&W – August 4, 2026
15. Street Use Permit – Lake Latitude – August 14 & 15, 2026
16. Street Use Permit – Totem Pole Boutique – August 14 & 15, 2026
17. Street Use Permit – Angry Minnow – August 14, 2026
18. Street Use Permit – Knotty Pine Bakery – August 14 & 15, 2026
19. Street Use Permit – Lundrigan's – August 13–15, 2026
20. Street Use Permit – Zaiser's – August 13–15, 2026
21. Street Use Permit – Buffalo Plaid – August 14–15, 2026

D. Council/Liaison Reports

1. Mayor

Mayor Carnahan noted she would be presenting relevant updates throughout the Agenda items and had no separate Mayor's report at this time.

2. Council Members

Council Member Froehle had nothing to report. Council Member London had nothing to report. Council Member Zahn offered congratulations to Parks & Rec Director Amber Moon Peterson and the Parks Commission for a recently accepted grant, noting it was a significant benefit to the community.

E. Reports

1. City Attorney

City Attorney Pearson had no items to report outside of Agenda business.

2. City Engineer

The City Engineer had no items to report outside of Agenda business, noting that a report would be presented later under New Business.

F. Old Business

1. Delaney Accept Final Report

Mayor Carnahan provided background on the City's engagement of Delaney Consulting, which was hired to conduct a comprehensive operational assessment of the City's two municipal businesses: Spirits in Nisswa and The Pickle. The engagement spanned approximately four months, and a full presentation had been delivered at a prior special meeting.

Michael Bitzer of Delaney Consulting appeared in person, with Flora Delaney participating via Zoom, to summarize the report's four primary recommendations: (1) evolve the organizational structure overseeing the Nisswa liquor enterprise to reduce leadership costs and direct reports to the City administrator; (2) invest in infrastructure improvements at The Pickle to sustain its long-term profitability and community benefit; (3) implement a road map to reverse the declining profitability trend at Spirits in Nisswa; and (4) act without delay, prioritizing high-impact changes before the end of the 2026 season so that measurable improvements could be realized by 2027.

The consultants emphasized that both businesses are a significant asset to the City and recommended that the City continue owning and operating them. No Council questions were raised.

Motion to accept the Delaney Consulting Final Report as presented was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

2. Delaney Consulting SOW Extension

Mr. Bitzer and Ms. Delaney presented a proposed second Statement of Work (SOW) to move from the diagnostic phase into implementation. The scope of work consisted of approximately 20 hours per week over five of six months, at a monthly cost of \$11,500, totaling \$69,000. The work would focus on providing leadership augmentation to support current management staff during the transition period—particularly in the absence of a permanent City administrator—by co-developing meeting rhythms, reporting structures, planning processes, and operational improvement priorities.

City Attorney Pearson sought clarification regarding the nature of the consulting role, specifically whether it would involve a delegation of management authority over unionized staff. Mr. Bitzer confirmed that Delaney would function in an advisory and coaching capacity, not in a supervisory or HR management role. Interim City Administrator Wentler raised a question about whether the scope and cost would change if the Council chose not to implement all recommendations. The consultants explained that a work plan would be developed after SOW

approval to prioritize recommendations and that full implementation of all items was not assumed.

Spirits Manager Brian Farrell addressed the Council, stating that he believed staff could implement the majority of the report's recommendations without additional consulting expense. He noted that sales were up approximately \$94,000 year-to-date and attributed some recent challenges—including a flat 2024—to the City's moratorium on THC sales and construction impacts on the parking lot and building access in 2025. He indicated staff would cooperate fully either way but suggested the Council consider whether the \$69,000 expenditure was necessary.

A member of the public urged the Council to ensure accountability in whatever path was chosen, whether through a consulting firm or a reinstated liquor committee. Mayor Carnahan noted that reinstatement of the liquor committee would need to be noticed for a future Agenda item.

Motion to approve the Delaney Consulting Statement of Work Extension as presented was made by Council Member Zahn and seconded by Council Member London. Upon a roll call vote, Council Member Froehle voted nay, Council Member London voted aye, Council Member Zahn voted aye, and Mayor Carnahan voted nay. The motion failed 2–2.

3. Pickle – New Chairs for Bar

Pickle Manager Terry Wallin reported that he had been in contact with Amy Hansen at Lucky's regarding replacement bar chairs and was in the process of obtaining a bid from East Coast Barstools and Chairs, the same vendor used for prior purchases. A bid and recommendation will be presented at the August regular Council meeting.

4. PZ – Schaefer's Sign Right of Way Agreement

City Attorney Pearson presented a right-of-way agreement for the placement of a Schaefer's sign within City right-of-way, consistent with prior Council direction to approve the concept. Wentler noted that the agreement had already been signed by Andy Schaefer that day. A sign permit was anticipated to be issued the following day.

Motion to approve the Schaefer's Sign Right of Way Agreement as presented was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

5. Spirits Parking Lot Invoice

Interim City Administrator Wentler brought forward an invoice from Schaefer's of Nisswa totaling \$27,146.97 related to modifications to the parking lot in front of the Spirits building—specifically, the removal of a center island and the addition of parking spaces. Wentler indicated that her interpretation of the Council's April motion was that only engineering and consulting fees had been authorized, not actual construction costs. The invoice included line items such as an extra storm manhole (\$12,796), subcut and fill work (\$8,500), surveying (\$2,325), and other

associated fees, which appeared to exceed the scope of what she understood to have been approved.

City Engineer Dave Reese confirmed that his firm, Widseth, had reviewed two construction alternatives at the City's request, found both acceptable, and approved the plan ultimately selected. He noted that the selected plan avoided disturbing previously installed storm sewer infrastructure and was acceptable from an engineering standpoint. No construction management services were performed by the City's engineer.

Andy Schaefer addressed the Council, noting that the Council had made three motions at the April meeting, the third of which stated that "any fees associated with this modification will be paid for by the liquor fund," and argued this language authorized the full scope of work. City Attorney Pearson acknowledged that while payment of these construction costs may well be appropriate given that the work was performed at the City's direction, the invoice lacked sufficient itemized backup documentation. He recommended tabling the item pending receipt of supporting documentation.

Motion to table the Spirits Parking Lot Invoice item to the August regular Council meeting, pending receipt of all supporting documentation related to the invoice, was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

6. Spirits Lease

Mayor Carnahan provided background, noting that discussions about a proposed lease amendment originated in fall 2025 when Schaefer's presented a proposal to increase the per-square-foot rental rate from \$17.90 to \$21.00. The matter had been discussed in the liquor committee and before the full Council on multiple occasions. A prior roll call vote had resulted in a 2–2 tie, with Mayor Carnahan abstaining pending completion of the Delaney assessment. With the final report now accepted, the item was returned to the Agenda for a fresh vote.

Council members indicated no change in their positions. Interim City Administrator Wentler suggested a motion was needed to formally memorialize the Council's direction to leave the lease unchanged.

Motion to make no changes to the Spirits Lease was made by Council Member Froehle and seconded by Council Member Zahn. Upon a roll call vote, Council Member Froehle voted aye, Council Member Zahn voted aye, and Mayor Carnahan voted aye. The motion carried unanimously.

7. EDA

a. Appointing Members

Mayor Carnahan provided an overview of the EDA formation process, noting that the City had received approximately 14–15 applications for the five public member seats. She and Crow

Wing County Economic Development representative Tyler Glynn conducted multiple rounds of interviews between May 19 and June 24, 2026. Mayor Carnahan emphasized that all applicants were qualified and expressed gratitude to each individual who applied and participated in the process.

Mr. Glynn addressed the Council, praising the community's strong response—noting that 14 applicants is exceptional compared to other Crow Wing County cities—and outlining his role in facilitating and staffing EDA meetings going forward. He confirmed that the EDA will be a transparent, open-to-the-public body and that a levy is not the intent of this EDA.

Mayor Carnahan announced the following appointments:

- **Council Member Zahn** – Council appointee, 6-year term
- **Bruce Imholte** (former Detroit Lakes City Council member and EDA member) – Public appointee, 6-year term
- **Council Member Froehle** – Council appointee, 5-year term
- **Jake Huser** (co-owner of laundromat, insurance professional, Nisswa resident) – Public appointee, 4-year term
- **Mike Foy** (owner of Main Street Ale House, Ernie's, and Dough Bros) – Public appointee, 3-year term
- **Dawn Southworth** (General Manager of Grand View) – Public appointee, 2-year term
- **Shawn Hansen** (Executive Director of the Nisswa Outreach Program and former Nisswa Chamber President) – Public appointee, 1-year term

Motion to approve the EDA appointments as presented was made by Council Member Zahn and seconded by Council Member London. Upon a roll call vote, Council Member Froehle voted aye, Council Member London voted aye, Council Member Zahn voted aye, and Mayor Carnahan voted aye. The motion carried unanimously.

b. Organizational Resolution/Appoint Members

Mayor Carnahan raised the question of whether the officer positions (President, Vice President, Treasurer, Secretary, and Assistant Treasurer) outlined in the enabling resolution should be appointed by the Council or determined by the EDA board itself at its first meeting. Mr. Glynn confirmed that it is standard practice for EDA boards to self-nominate and elect their own officers at the inaugural meeting. City Attorney Pearson noted that this approach would require the officer section of the enabling resolution to be backfilled after the EDA's first meeting and suggested holding that organizational meeting prior to the August Council meeting so the appointments could be ratified at that time.

No formal action was taken on this item. The EDA board will elect officers at its first organizational meeting, and the Council will ratify those positions at a subsequent regular meeting.

G. New Business

1. CWC Emergency Management – Early Warning Sirens Future Maintenance Presentation

This item was deferred to the August 2026 regular Council meeting.

2. Waiver of Conflict-of-Interest Severson Porter Law/Debra Cruz/City of Nisswa

City Attorney Pearson explained that attorney Mark Severson of Severson Porter Law, which represents the City for misdemeanor prosecutions under a joint contract with Nisswa, Brainerd, and Baxter, had submitted a conflict-of-interest waiver request for a matter involving Debra Cruz. Pearson stated his view that no ethical conflict exists—at most, a potential business conflict—and recommended the Council approve the waiver.

Motion to approve the Waiver of Conflict-of-Interest between Severson Porter Law, Debra Cruz, and the City of Nisswa was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

3. Community Center Change Order #2

City Parks & Rec Director Amber Moon Peterson presented Change Order #2 for the Nisswa Community Center updates.

Motion to approve Community Center Change Order #2 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

4. Community Center Pay Application #3

Director Moon Peterson noted that the change order amount is reflected in Pay Application #3.

Motion to approve Community Center Pay Application #3 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

5. Parks – GLT Phase 4B NLP Restroom Change Order #1

Director Moon Peterson explained that the Gull Lake Trail Phase 4B project involves two contractors due to the addition of a restroom facility. Change Order #1 pertains to the restroom contractor (Pratt) and is structured as a lump sum.

Motion to approve Gull Lake Trail Phase 4B NLP Restroom Change Order #1 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

6. Parks – GLT Phase 4B NLP Restroom Pay Application #1

Motion to approve Gull Lake Trail Phase 4B NLP Restroom Pay Application #1 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

7. Parks – GLT Phase 4B Change Order #7

Director Moon Peterson noted that this change order pertains to the primary trail contractor responsible for the bulk of work along Highway 77. This pay application also releases retainage and constitutes the final payment to that contractor.

Motion to approve Gull Lake Trail Phase 4B Change Order #7 as presented was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

8. Parks – GLT Phase 4B #7 (Pay Application #7)

Motion to approve Gull Lake Trail Phase 4B Pay Application #7 as presented was made by Council Member Froehle and seconded by Council Member Zahn. The motion carried unanimously.

9. PW – 2026 Road Patching

Public Works Director Blomer reported that two quotes were received for the annual road patching program. The low bid was submitted by Anderson Brothers at \$49,861.05, which is well within the budgeted amount. A list of roads to be included in the patching work was provided.

Motion to accept the low bid from Anderson Brothers for the 2026 Road Patching program at \$49,861.05 was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

10. PW – 2026 Road Improvements Pay Application #1

Director Blomer reported that work on Old Government Trail, Polk Road, and Hole in a Day Drive has been substantially completed. Pay Application #1 represents approximately 12 percent of the total 2026 road improvement project, in the amount of \$308,884.47.

Motion to approve 2026 Road Improvements Pay Application #1 in the amount of \$308,884.47 was made by Council Member Zahn and seconded by Council Member Froehle. The motion carried unanimously.

11. PD – Joint Powers Agreement with Crow Wing County

Chief of Police Todd Szymanski presented a joint powers agreement with Crow Wing County for a new records management and mobile CAD system. The system has been in development for several years and is scheduled to go live in December 2026. Costs are budgeted for the current year, with projected annual increases of approximately 3 percent over the 10-year contract period through 2037.

Motion to approve the Joint Powers Agreement with Crow Wing County for the records management and mobile CAD system was made by Council Member London and seconded by Council Member Froehle. The motion carried unanimously.

12. PD – Remove Scott Williams, Police Sergeant from Probation Status

Chief Szymanski recommended removing Sergeant Scott Williams from probationary status, citing more than one year of excellent performance in the sergeant role, strong leadership, effective problem solving, and consistently positive feedback from other agencies and the public.

Motion to remove Sergeant Scott Williams from probationary status and move him to permanent full-time status was made by Council Member London and seconded by Council Member Zahn. The motion carried unanimously.

13. Admin – Remove Jane Michaud, Deputy Clerk from Probation Status

Interim City Administrator Wentler recommended removing Deputy Clerk Jane Michaud from probationary status. Michaud began in January 2026 and has been described as a consistently positive presence at City hall, providing strong support to staff and the public alike.

Motion to remove Deputy Clerk Jane Michaud from probationary status was made by Council Member London and seconded by Council Member Froehle. The motion carried unanimously.

14. Admin – Remove Todd Szymanski, Police Chief from Probation Status

Interim City Administrator Wentler recommended removing Police Chief Todd Szymanski from probationary status after approximately one year in the role. Wentler noted that Chief Szymanski has built strong relationships within the community and with partner organizations such as the chamber, and has been widely praised for his leadership. Council members echoed this sentiment.

Motion to remove Police Chief Todd Szymanski from probationary status was made by Council Member London and seconded by Council Member Zahn. The motion carried unanimously.

15. City Property Land Appraisal

Council Member Zahn requested this item be placed on the Agenda in anticipation of EDA formation, noting that appraisals of City-owned property would likely be needed to support the EDA's future development discussions. The Council discussed whether to proceed now or wait until after individual parcels are delineated. Interim City Administrator Wentler noted that appraisals of specific parcels may be more useful than a whole-property assessment. Following clarification, it was confirmed that the request was simply to authorize staff to seek quotes for appraisal services, not to commission an appraisal at this time.

Motion to authorize staff to seek quotes for a City property land appraisal was made by Council Member Froehle and seconded by Council Member London. The motion carried unanimously.

H. Open Forum

1. Public Comment

Bonnie Johnson (25942 Trailside Run) requested that the Council reconsider the placement of the Open Forum on the Agenda, suggesting that positioning public comment at the end of meetings may discourage participation and does not reflect the Council's stated commitment to community engagement.

Bob Fier (4984 Rubens Way) suggested that the Council adopt a standardized practice of providing brief justifications for change orders when approving them, such as noting whether a change is due to a scope change, incomplete engineering, or an unforeseen condition, in order to improve transparency for the public.

Debra Cruz (25829 Centennial Lane) addressed the Council regarding her ongoing appeal of a neighbor's lot split on Centennial Lane. She argued that the condition placed by the Planning and Zoning Commission requiring verification of continued future access to Centennial Lane was not properly satisfied before final approval was granted. She stated that the documents used to satisfy the condition—an easement across the parent parcel and a quitclaim deed—provide access to Centennial Lane but do not necessarily grant permission to be on it, which she characterized as two distinct legal questions requiring two distinct instruments. She urged the Council to ensure the matter receives prompt review before any window to correct the approval closes, and indicated she would be providing copies of relevant transcripts for review.

Bruce Batzer (Nisswa resident and Florida citizen) drew the Council's attention to an existing Crow Wing County joint powers agreement for annual asphalt seal coat maintenance work. He noted that Nisswa is the only City in the county that does not participate in the contract, which offers county-negotiated unit prices to all participating municipalities, townships, and districts. He suggested the City look into the program as a potential cost-saving measure and offered to answer questions.

Andy Schaefer (23930 Smiley Road) addressed earlier public comments from Spirits Manager Brian Farrell, disputing characterizations regarding the duration and impact of construction on the Spirits parking lot. He stated that construction occurred in October and did not continue through the full year, and that there is and has always been ample parking available at the Spirits location.

Council Member Zahn recognized Kalie, Nisswa Chamber of Commerce Executive Director for organizing an outstanding 4th of July celebration, describing it as among the best community events of the year.

I. Announcements & Upcoming Meeting Dates

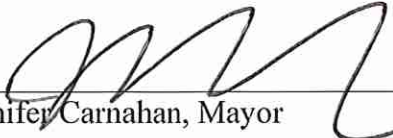
Mayor Carnahan noted the following upcoming meetings:

1. July 29, 2026 – Special Council Meeting, 8:00 AM
2. July 29, 2026 – Public Works Committee Meeting, 5:00 PM
3. August 4, 2026 – Planning Commission Meeting, 5:00 PM
4. August 6, 2026 – Parks Commission Meeting, 5:00 PM
5. August 11, 2026 – Primary Elections
6. August 18, 2026 – Regular City Council Meeting, 6:00 PM
7. August 26, 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 7:43 PM.

Respectfully submitted,


Jennifer Carnahan, Mayor


Maggi Wentler, Interim City Administrator

