

**CITY OF NISSWA
MINUTES – REGULAR COUNCIL MEETING
TUESDAY, AUGUST 18, 2026 – 6:00 P.M.
NISSWA CITY HALL**

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

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

Present via Zoom: Flora Delaney, Delaney Consulting

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, Josh McElmurray, Spirits Asst. Manager

Audience members: 47 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, August 18, 2026, at 6:00 PM at Nisswa City Hall.

1. Pledge of Allegiance

Mayor Carnahan led those present in the Pledge of Allegiance.

B. Approve Agenda

Prior to the motion to approve, Mayor Carnahan requested that, with no objection from Council, a brief 2026 Road Bond Update be added under New Business between Items G.4 and G.5, at the request of residents. No objection was raised, and the item was added.

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

C. Consent Calendar

The Mayor read the notice to the public regarding the Consent Calendar. No items were pulled for separate discussion.

1. Fire Department Report – July 2026
2. Parks and Recreation Report – August 2026
3. Pickle Report – July 2026
4. Police Report – August 2026
5. Public Works Department Report – August 2026
6. Planning & Zoning Report – August 2026
7. Spirits Reports June Final / July Draft 2026
8. City Council Special Meeting Minutes, July 15, 2026

9. City Council Regular Meeting Minutes, July 21, 2026
10. City Council Special Meeting Minutes, July 29, 2026
11. Personnel Updates – August 2026
12. Presentation of Claims – Check register #157002- 157329 totaling \$1,679,651.22
13. Fire Department Donation Resolution – Brainerd Jaycees – Run for the Lakes
14. Park Donation Resolution – Anonymous
15. Police Donation Resolution – A&W National Night Out #1
16. Police Donation Resolution – A&W National Night Out #2
17. Police/Fire Donation Resolution – Barbara Scrimgeour
18. Street Use Permit – Corner Hub Boutique – August 13, 14 & 15, 2026 (after the fact)
19. Street Use Permit – B's Factory Outlet – August 14 & 15, 2026 (after the fact)
20. Street Use Permit – KISA Collection – August 14 & 15, 2026 (after the fact)

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

Mayor Carnahan had no report or update at this time.

2. Council Members

Council Member Froehle reported on a recent Parks Committee community engagement event conducted in connection with an active grant. Approximately 41 attendees, ranging from children to grandparents, reviewed plans, drawings, equipment sets, and voted on park amenity preferences. Council Member Froehle praised the Parks Committee and staff member Amber for their preparation and their handling of questions from the public. Council Members London, Zahn, and Hall had no reports.

E. Reports

1. City Attorney

City Attorney Pearson provided an update on easement acquisitions related to the ongoing road project, noting that work is underway in the City. He advised that the majority of easements have been secured; however, one easement on Roy Lane remains unresolved. He indicated that if a direct purchase agreement cannot be reached, an eminent domain proceeding may become necessary, though he expressed hope that it could be resolved without that step. He noted the associated project segment could face a delay if the matter is not resolved. The update was informational in nature and no Council action was requested.

2. City Engineer

City Engineer Reese provided a brief update on three active initiatives: the 2026 Street Improvement project, which is progressing well; the 2027 Street Improvement project, which is currently in the design phase with stakeholder meetings underway; and a facility plan for the pond liner in Pond 2, which is off to a good start.

F. Old Business

1. Pickle – New Bar Stools for Bar

Pickle Manager Terry Wallin presented a bid from East Coast Bar Stools in the amount of approximately \$21,000 for new bar stools for the Pickle. Council had no questions.

Motion to approve the new bar stool purchase for the Pickle as presented was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

2. PZ – Roy's Landing Easement

City Planner Timblin introduced a corrective easement drafted by the applicant to address the proposed relocation of the road within the plat of Roy's Landing. The item had been held the prior month to allow City Attorney Pearson time to review the document. Attorney Pearson confirmed his review was complete and that the deed, drafted by the applicant's attorney Jeff Carpenter, was satisfactory.

Motion to approve the amended easement for Roy's Landing as presented was made by Council Member Hall and seconded by Council Member Zahn. Upon a roll call vote, the motion carried 4-1, with Council Member Froehle voting nay.

3. Spirits Parking Lot Invoice

City staff presented an invoice from Schaefer's in the amount of \$27,146.97 for work performed in connection with the Spirits parking lot adjustments. This item had been carried forward from the July meeting to allow for additional documentation. Staff noted that an invoice from Honer Excavating was included in the current packet, and that its line items largely align with those on the Schaefer's invoice. A resident, Diane Pogotchnick (6149 County Road 13), addressed the Council with questions about specific line items, including a \$400 charge for Schaefer's time. Council Member Froehle provided context, explaining that the City had directed Schaefer's to make changes to his originally approved plans in order to address a parking deficiency identified by the City, and that Schaefer's had made clear he would not absorb costs associated with those City-directed changes. The Council agreed the invoice reflected a legitimate City obligation.

Motion to approve the invoice from Schaefer's in the amount of \$27,146.97 as presented was made by Council Member Froehle and seconded by Council Member Zahn. Upon a roll call vote, the motion carried unanimously.

4. Pickle & Spirits Consultant Recommendations / Steps Forward / SOW Extension

Interim City Administrator Wentler opened discussion by noting that, following the July meeting in which the Council deadlocked 2-2 on extending the Delaney Consulting scope of work, she had prepared a memo to maintain momentum on the report's recommendations and to gather Council direction on priorities. She indicated that Flora Delaney was available via Zoom to answer questions, and that Delaney Consulting had confirmed willingness to proceed at the previously proposed price, with an adjusted timeline.

Spirits Manager Brian Farrell reported that he had distributed a progress spreadsheet approximately 2.5 weeks prior, tracking implementation of Delaney's recommendations, though several Council members acknowledged they had not seen or fully reviewed the linked document. Mr. Farrell noted the business had sold approximately 3,400 more units year-to-date, and that staff had been actively working on wage management — identified as a primary expense driver — while being careful not to disrupt operations during the peak summer months. He acknowledged that final July financial numbers were not yet available. Pickle manager Andy Wallin similarly indicated that several recommendations were already in progress, including a walk-in cooler repair and new patio furniture.

Council Member Hall raised pointed questions about the substance of the consultant report, noting that it focused not on top-line sales but on controlling operating expenses and labor costs. He questioned who within the City's structure had oversight authority to ensure the recommendations were being assessed and executed. Mayor Carnahan noted that one of the report's key recommendations had been the hiring of a general manager to oversee both municipal enterprises.

Council Member Zahn indicated he had not seen the managers' tracking report, and suggested that, before any vote, Council members should review it. He raised the possibility of a special workshop to evaluate the data and determine priorities.

Flora Delaney, appearing via Zoom, clarified that the proposed 6-month extension was intended to provide interim oversight, restructure job descriptions and organizational design, and position the City to sustain improvements independently thereafter. She offered education on the three drivers of retail sales growth — price increases, selling more units to existing customers, and attracting new customers — and cautioned the Council to consider fully loaded costs, including benefits embedded in other City accounts, when evaluating profitability.

A community member, Terry Austin (5819 Poplar Avenue), suggested that the consultants had fulfilled their original scope and that the managers appeared to be making progress. He questioned whether a full year's re-engagement was fiscally responsible and suggested a quarterly or monthly arrangement as an alternative.

Mayor Carnahan explained her July "no" vote, citing the high cost of the extension (approximately \$10,500 per month) and her view that the City owed its management staff the opportunity to implement changes before spending additional taxpayer funds.

Council Member Hall moved to proceed with Delaney Consulting for the next 6 months as presented, with Council Member Zahn inquiring whether a dedicated workshop to review the managers' progress and guide the scope would be warranted concurrently. Interim City Administrator Wentler noted that, regardless of whether Delaney was re-engaged, the Council still needed to formally identify which recommendations it wished staff and consultants to prioritize.

Motion to approve the 6-month scope of work extension with Delaney Consulting as presented was made by Council Member Hall and seconded by Council Member London. Upon a roll call vote, the motion carried 3-1 with Council Member Zahn voting nay.

G. New Business

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

Crow Wing County Emergency Management Director Clayton Barg presented an overview of the county's outdoor warning siren system and a proposed path forward for unified maintenance. Director Barg noted that the county maintains 52 sirens countywide, with activation authority residing with the Crow Wing County Sheriff's Office. He explained that the City of Nisswa currently has 3 sirens, installed in approximately 2011, and outlined several system challenges including aging infrastructure, lack of battery backups at some locations, and absence of routine preventative maintenance schedules across stakeholder jurisdictions.

Director Barg described a three-phase improvement plan: Phase 1 involves annual head-to-toe inspections and a full infrastructure inventory through a contracted vendor selected via RFP — Emergency Communication Systems — at a cost of \$600 per siren annually (\$1,800 for Nisswa's three sirens); Phase 2 addresses identified repairs and infrastructure upgrades; and Phase 3 envisions a two-way cellular option enabling remote siren activation tied to National Weather Service alerts, estimated at approximately \$800,000 countywide, for which grant funding is being actively pursued.

Director Barg also highlighted the county's opt-in Crow Wing County Alert system and announced that a new low-lying radar installation in partnership with ClimaVision is expected to come online next month in Brainerd, which will significantly improve storm detection in the area.

Council Member Zahn noted that a prior presentation had identified potential coverage gaps in certain parts of Nisswa, and that subsequent storm events had appeared to validate those concerns. He volunteered to work with Director Barg to identify areas warranting additional siren coverage. Director Barg welcomed that collaboration.

Staff noted the Memorandum of Agreement had just been received and would be distributed to Council for review, with formal action placed on the September agenda.

2. Parks – GLT Phase 4B NLP Letter of Completion

Parks & Recreation Director Amber Moon Peterson described this item as the culmination of the Gull Lake Trail project series, with the letter of completion serving as a grant closeout requirement covering the segment on Highway 77 and the addition into Nisswa Lake Park, including the bathroom facility. Council Member Zahn recognized Roger Landers for his long-tenured leadership of the Gull Lake Trail steering committee and praised the project as a marquee community asset, noting that local real estate listings have begun advertising proximity to the trail.

Motion to approve the Gull Lake Trail Phase 4B Nisswa Lake Park Letter of Completion as presented was made by Council Member Froehle and seconded by Council Member Hall. The motion carried unanimously.

3. PZ – Development Agreement – Nisswa Crossings

City Planner Timblin explained that the existing letter of credit and development agreement for the plat of Nisswa Crossings were expiring, making renewal customary. A new letter of credit, updated engineer's estimate, and revised development agreement had been prepared for Council consideration.

Motion to approve the amended development agreement and letter of credit in the total amount of \$158,182.30 was made by Council Member Zahn and seconded by Council Member Hall. The motion carried unanimously.

4. PZ – Centennial Estates Appeal – Debra Cruz

City Attorney Pearson provided background on the Centennial Estates appeal, which stems from an administrative compliance matter related to a condition in a prior planning commission approval. The planning commission had heard the appeal and recommended denial to the City Council. Attorney Pearson explained that appellant's counsel, Mark Severson, had submitted a letter to the Council on the day of the meeting — too late for Council members to review and digest before the hearing. He recommended continuing the appeal to the September meeting to allow the letter to be properly distributed and considered. Attorney Pearson noted that the Council had previously approved a conflict waiver allowing Mr. Severson to represent the appellant.

Mr. Severson addressed the Council briefly, explaining the compressed timeline that led to the late submission, acknowledged it was untimely by Council's standards, and expressed appreciation for the continuance.

No objection was raised, and the matter was continued to the September regular council meeting.

5. 2026 Road Bond Update (*Added Item*)

City Engineer Reese provided an update on the 2026 Street Improvement project. Three roads in the southern portion of the City have been substantially completed through the paving stage. Remaining roads are in the clearing, grubbing, and minor grading phase, with culvert pipe and materials delivered to site. Paving on the remaining roads is anticipated to occur in the September–October timeframe.

Resident Roger Landers (Edna Lake Road) asked about culverts that had been installed and subsequently removed on Edna Lake Road. Public Works Director Blomer and City Engineer Reese explained that utility companies had not relocated their infrastructure prior to culvert installation, causing conflicts with the grading design. The contractor adjusted road grades to accommodate the utilities in place, necessitating the removal of some culverts. It was noted this type of conflict is not uncommon in road construction and that utility relocation coordination had been part of pre-construction meetings. Mr. Landers expressed satisfaction with how the construction has been managed from a traffic safety standpoint, commending the use of flaggers throughout.

6. PW – 2027 Road Improvement Appraisals

Public Works Director Blomer presented a proposal from Johannes Appraisals to conduct appraisals on approximately 28 easements required for the 2027 road improvement project. City Attorney Pearson noted that the same firm had been used successfully for the trail project and the 2026 road bond project, and that while the quoted range is not a hard figure — as the full scope cannot be determined until fieldwork begins — early engagement is critical to meeting the timeline for direct purchase offers later this year, and to being well-positioned heading into 2027 construction.

Council Member Zahn asked whether any survey data generated through this process might contribute to the City's longer-term goal of resolving property line discrepancies in the downtown area. Director Blomer indicated some survey work would have future value, though Attorney Pearson clarified that an organic resolution of the downtown mapping issue as a byproduct of this project should not be expected.

Motion to approve the 2027 Road Improvement Appraisals proposal as presented was made by Council Member Hall and seconded by Council Member Froehle. The motion carried unanimously.

7. PW – 2027 Street Improvements – Streetscaping

City Engineer Reese introduced a supplemental proposal to develop streetscaping plans and specifications to be incorporated into the 2027 Street Improvement bid documents. The scope includes design of street lighting, benches, and other pedestrian amenities to create a consistent identity along the affected downtown corridors. Director Blomer noted that streetscaping concepts had been reviewed by a committee that includes chamber and business community representation, and that a photo of Hackensack's streetscaping was displayed as a reference

example. Lighting discussed would be night-sky-friendly, projecting downward onto sidewalk surfaces, and placed in a five-foot amenity strip behind the sidewalk. Mayor Carnahan and Director Blomer confirmed the current project scope does not include Main Street other than the intersection with City Hall Street.

A resident, Shawn Hansen (7797 Interlochen Road), urged that the downtown business community and chamber continue to be included in the conversation. Director Blomer confirmed their involvement. Council Member Zahn invited additional public feedback, noting that community input sessions had been sparsely attended.

Motion to approve the 2027 Street Improvements Streetscaping proposal as presented was made by Council Member Hall and seconded by Council Member London. The motion carried unanimously.

8. Data Practice Policy Updates

Interim City Administrator Wentler explained that the City is required to annually review and update its Data Practice Policy. The State of Minnesota made changes in July 2026, and those updates — primarily reflected on pages 5 through 9 of the revised policy — were incorporated directly from the state's model policy.

Motion to accept the Data Practice Policy updates as presented was made by Council Member Zahn and seconded by Council Member London. The motion carried unanimously.

9. Budget Workshop Date(s)

Interim City Administrator Wentler asked Council to determine a format for the September budget workshop, noting that the preliminary levy must be set by the end of September and that she preferred not to wait until the last possible date. Council consensus was to hold a budget workshop prior to the Regular Council Meeting on September 15, 2026. Staff will finalize meeting details and distribute materials to Council for advance review. No formal motion was required.

10. City Council Retreat Date

Council discussion on scheduling a fall retreat resulted in a consensus to postpone. Council Member Zahn suggested that relevant retreat content — which has historically centered on budget matters — could be folded into the scheduled budget workshops, rendering a separate full-day retreat unnecessary at this time. The majority of Council members agreed.

11. City Fall Town Hall

The Council discussed whether to hold a fall town hall, as was done in prior years. After brief discussion, the majority of Council members indicated a preference to skip or postpone the fall town hall this year. No formal motion was required.

12. Complaint

The Council received a written complaint submitted by Julie Austin (3925 West Linden Boulevard) regarding an alleged conflict of interest involving Council Member Hall. Ms. Austin addressed the Council directly, stating that Council Member Hall is the owner of Copper Creek, which she asserted does landscaping work for Grand View Lodge. She expressed concern that Council Member Hall had participated in and voted on council matters involving Grand View Lodge while that business relationship existed. She referenced the City's conflict of interest policy, which contemplates situations involving financial interest, potential financial benefit, or the appearance of a conflict, and called on the Council to review the documented facts and determine whether Council Member Hall should recuse himself from future votes involving Grand View Lodge.

A second resident, Shawn Hansen (7797 Interlochen Road), addressed the Council to caution against what he characterized as personal attacks, noting that conflicts of interest by proximity are an inherent challenge in a small community and urging greater trust in elected officials. He also asked City Attorney Pearson how such a complaint is procedurally handled and whether a public meeting is the appropriate venue.

A third speaker, Ellen Fussey (4538 Birch Ridge Drive), raised a separate but related concern regarding the zoning status of a pole barn on East Roy Lake Road that she described as being used for commercial operations — including Copper Creek trucks arriving and departing daily — on what she believed to be residentially zoned property. She asked the Council and staff to clarify whether the property is zoned commercial or residential, and whether permits were pulled accordingly, framing her concern as one of transparency and equitable code enforcement.

Dawn Southworth, representing Grand View Lodge, addressed the Council to clarify that Copper Creek does not hold a landscaping contract with Grand View Lodge. She stated that Grand View has used the same floral company for over 30 years, manages its own grounds, and uses a competitive bid process for any outside projects. She expressed concern about the reputational impact on local businesses resulting from this type of public perception.

Mayor Carnahan closed public comment on the item and invited any Council response. No formal action was taken.

H. Open Forum

1. Public Comment

No members of the public came forward for open forum comment.

I. Announcements & Upcoming Meeting Dates

Mayor Carnahan directed the public to the City's website for a full list of upcoming meetings. The following dates were noted on the agenda:

1. August 19, 2026 — Council Workshop Meeting, 5:00 PM
2. August 26, 2026 — Public Works Committee Meeting, 5:00 PM
3. September 1, 2026 — Planning Commission Meeting, 5:00 PM
4. September 3, 2026 — Parks Commission Meeting, 5:00 PM
5. September 15, 2026 — Regular City Council Meeting, 6:00 PM
6. September 30, 2026 — Public Works Committee Meeting, 5:00 PM

Staff was directed to update dates to reflect the budget workshop addition prior to the September 15 regular meeting.

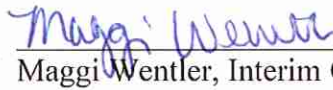
J. Adjourn

Motion to adjourn was made by Council Member Froehle and seconded by Council Member Hall. The motion carried unanimously. The meeting was adjourned at 7:48 PM.

Respectfully submitted,



Jennifer Carnahan, Mayor



Maggi Wentler, Interim City Administrator