

LILYDALE CITY COUNCIL MEETING MINUTES
February 9, 2026

Present: Mayor Lyle Hanzal, Councilmembers Jay Budge, Deborah Cornell, Mary Kleinberg and Bill Kleinman; Mary Tollefson, city administrator

Also Present: Kori Land, city attorney; Captain Wayne Wegener; Greg Voss, owner of Chet's Liquor Drive-In; Andrew Myers, manager of Chet's Liquor Drive-In

Mayor Hanzal called the meeting to order at 4:30 p.m.

The Pledge of Allegiance was recited.

Agenda: Moved by Councilmember Cornell, seconded by Councilmember Budge to approve the agenda. Motion carried 5-0.

Public Comments – Captain Wegener reported a surveillance camera to monitor the lift station will be installed this week or next week.

No other comments were made.

Consent Agenda – Mayor Hanzal presented the consent agenda.

- a. Approve Minutes from January 12, 2026 City Council Meeting
- b. Approve January Building Permit Report
- c. Acknowledge Change to Financial Reporting
- d. Approve January Financial Reports
- e. Approve 2025 Polling Place Accessibility Grant Program Agreement

Moved by Councilmember Kleinberg, seconded by Councilmember Kleinman to approve the consent agenda. Motion carried 5-0.

Regular Agenda

Discussion of Lower-Potency Hemp Edible Retail Buffer Zone – Attorney Land stated that the material in the meeting packet originally related to a potential amendment to the lower-potency hemp edible retail buffer zones. The request arose after Chet's Liquor discovered its location is too close to a daycare to sell low-potency products under the current ordinance and asked the City to amend the buffer zones.

Attorney Land explained that the City subsequently received a letter indicating that Chet's Liquor had initiated registration with the Minnesota Office of Cannabis Management (OCM) on September 23, 2023, to sell THC beverages and was legally registered to do so. She noted the City had not previously been aware of this registration.

Attorney Land stated that the City had adopted a moratorium on adult-use cannabis, but it did not apply to lower-potency THC beverages, allowing Chet's to continue selling those products. In 2024, the City established buffer zones regulating the sale of lower-potency THC products and cannabis.

Because Chet's had already been operating prior to adoption of the ordinance, the business is considered legally nonconforming.

In January 2026, when Chet's requested a City registration application, they were informed that they did not meet the zoning requirements. Attorney Land explained this occurred because the City was unaware of the earlier OCM registration. With the additional information now provided, an ordinance amendment is not necessary, and the Council is instead being asked to consider Chet's registration application.

Chet's has submitted an application to sell THC products, including lower-potency beverages and gummies. Because the business predates the current ordinance, previously sold products may continue to be sold. Attorney Land noted approval of the registration would be contingent upon payment of the required registration fee.

Motion by Councilmember Cornell, seconded by Councilmember Kleinman to approve the lower-potency hemp edible retail registration for Chet's Liquor, contingent on paying the registration fee. Motion carried 5-0.

City Administrator Announcements – none

City Council Comments – Councilmember Kleinberg reported plans are underway for a community cleanup day to take place close to Earth Day.

Councilmember Budge inquired about snow removal on the city sidewalk. City administrator Tollefson explained that, although the city's contractor clears the walking trail, additional snow is sometimes pushed back onto the trail. This occurs when snow from Highway 13 is pushed onto the trail and when snow from adjacent properties is deposited along the trail.

Mayor Hanzal reported that the cost to develop the employee handbook was \$4,600. He noted it will serve the city for years to come and feels it was worth the expense. Mayor Hanzal also stated he met with Representative Clardy regarding the bluff runoff management plan, and city engineer Jen Koehler will provide her with additional information. Lastly, Mayor Hanzal shared that he participated in the St. Paul winter carnival parade representing Lilydale.

Adjournment – Mayor Hanzal adjourned the meeting at 5:08 p.m.

Respectfully submitted:

Mary Tollefson, City Clerk