

LILYDALE CITY COUNCIL MEETING MINUTES
March 9, 2026

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

Also Present: Kori Land, city attorney; Julie Seykora, resident

Absent: Councilmember Bill Kleinman

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

The Pledge of Allegiance was recited.

Mayor Hanzal expressed condolences, on behalf of the city council and the community, to Mary Tollefson on the passing of her mother.

Agenda: Moved by Councilmember Budge, seconded by Councilmember Cornell to approve the agenda. Motion carried 4-0.

Consent Agenda – Mayor Hanzal presented the consent agenda.

- a. Approve Minutes from February 9, 2026 City Council Meeting
- b. Approve February Building Permit Report
- c. Approve February Claims List and Financial Reports
- d. Approve Agreement Between City of Lilydale and Kathy Krotter

Councilmember Budge requested item 5c be pulled from the consent agenda. Moved by Councilmember Budge, seconded by Councilmember Kleinberg to approve the consent agenda. Motion carried 4-0.

Item 5c from Consent Agenda –Moved by Councilmember Budge, seconded by Councilmember Kleinberg to approve the February Claims List and Financial reports.

Councilmember Budge asked for an explanation of the term outstanding checks listed on the Cash Control Statement. City administrator Tollefson stated they are checks that were written, but have not cleared the bank as of February 28, 2026. **Motion carried 4-0.**

Public Comments – none

Regular Agenda

2025 Audit Report – Chris Lewis of Lewis and Mount presented the draft 2025 audit report. He stated the numbers lined up from last year in analyzing variances. He noted the audit went very smoothly and he credited Mary Tollefson for exceptional record keeping. He noted the city has a healthy cash reserve balance of \$1.7 million. Mr. Lewis noted the maturity date on the new bond will be corrected and the section on conduit debt can be deleted.

Councilmember Budge noted the interest rate on the TIF 2011A bond is 6.9 percent and he asked if this could be refinanced if interest rates dropped. Mr. Lewis replied that it could be refinanced but there would be issuance costs. **Motion by Mayor Hanzal, seconded by Councilmember Cornell to approve the draft 2025 financial audit with two changes. Motion carried 4-0.**

License Agreement with Landscapes Unlimited Outdoors, Inc. – Discussion occurred regarding allowing the contractor to park equipment in the city hall parking lot, noting it would be beneficial to both the city and contractor. **Motion by Councilmember Cornell, seconded by Councilmember Budge to approve the License Agreement Between the City of Lilydale and Landscapes Unlimited Outdoors, Inc. Motion carried 4-0.**

Community Clean-Up Day – Councilmember Kleinberg provided an overview of the clean-up event scheduled for April 25, 2026.

City Administrator Announcements – City administrator Tollefson reported that the power will be out tomorrow at city hall due to Xcel Energy replacing the two transformers outside city hall. She stated a city newsletter will be sent out later this month and plans for a history event in May are underway. Also, she plans to apply for a grant to create a Lilydale history exhibit at city hall.

City Council Comments – Councilmember Budge noted the lawn along the path is ripped up and he asked if the contractor will be repairing it. City administrator Tollefson stated the city's contractor will make repairs.

Councilmember Cornell noted Attorney Land is presenting at the League of Minnesota Cities conference and suggested perhaps the council could attend the conference for the day.

Councilmember Kleinberg noted we may consider holding a puzzle event next year, since it isn't possible to do it this spring.

Mayor Hanzal reported that he checked in with Andy, the manager of Chet's, to see how things were going following approval of their cannabis license. Also, the sale of the city property is on schedule to close at the end of the month.

Adjournment – Mayor Hanzal adjourned the meeting at 5:19 p.m.

Respectfully submitted:

Mary Tollefson, City Clerk