

LILYDALE CITY COUNCIL MEETING MINUTES
November 10, 2025

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

Also Present: Kori Land, city attorney; Captain Wayne Wegener; Evan Monson, Stantec; John and Elizabeth Kraus; Amy Kottke, legal counsel; Ali Khreiss and Mary McCabe, Nazha, DBA BP

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

The Pledge of Allegiance was recited.

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

Public Comments – None

Captain Wegener stated the city administrator is working with the Public Works department staff in regards to having a light installed at the lift station. The cost will be under \$1,000.

Consent Agenda – Mayor Hanzal presented the consent agenda.

- a. Approve Minutes from October 13, 2025 City Council Meeting
- b. Acknowledge October Building Permit Report
- c. Approve October Financial Report

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

Public Hearings – Mayor Hanzal opened the Public Hearing on the site plan for the property at 981 Sibley Memorial Highway. Evan Monson, city planner, explained language in the zoning ordinance for PUD #9 would need to be amended for the applicant to have their proposed business on this property. He also reviewed the site plan requirements.

Councilmember Budge stated the Planning Commission unanimously approved the proposed site plan for 981 Sibley Memorial Highway and the Planning Commission recommends approval.

John Kraus, applicant, addressed the city council. He intends to make some changes to the exterior of the building such as paint color and roof tile. He plans to conceal the garbage area with a metal gate, fix the concrete and make slight changes to the back patio. He stated that the building will blend in with the neighborhood. The estimated date of opening is June 2026.

Mayor Hanzal asked for any public comments. No comments were made and the public hearing adjourned at 5:00 p.m.

Ordinance 2025-05 Amending Lilydale City Code Section 904.16(8) PUD District No. 9. Moved by Councilmember Kleinman and seconded by Councilmember Kleinberg to approve Ordinance 2025-05 Amending Lilydale City Code Section 904.16(8) PUD District No. 9. Motion carried 5-0.

Resolution 2025-05 Approving a Site Plan for 981 Sibley Memorial Highway for a Café, Restaurant, Retail, Cooking Classes, and Related Uses. Moved by Councilmember Budge and seconded by Councilmember Kleinman to approve Resolution 2025-05 to Approve a Site Plan for 981 Sibley Memorial Highway for a Café, Restaurant, Retail, Cooking Classes, and Related Uses. Motion carried 5-0.

Regular Agenda

Hearing for Failed Tobacco Compliance Check Appeal - Attorney Land provided background on a failed compliance check at Nazha, Inc. DBA Lilydale BP in August. On October 3, Lilydale BP was served notice of a violation and a \$300 penalty. Lilydale BP was given an opportunity to appeal the violation and requested a hearing.

Mary McCabe, a BP employee, addressed the city council and admitted she sold a pack of cigarettes to an underage person even though she knew it was a compliance check. She said she was having a bad day that day. She swiped the card through the machine, but said the paper threw her off. She apologized to the council.

Resolution 2025-06 Finding a Violation and Imposing an Administrative Penalty - Moved by Councilmember Budge and seconded by Councilmember Cornell to approve Resolution 2025-06 Finding a Violation and Imposing an Administrative Penalty for a Failed Compliance Check. Motion carried 5-0.

Ali Khreiss, BP manager for 26 years, said he stresses tobacco sale compliance. Khreiss described Ms. McCabe as a dedicated, part-time employee who has worked at BP for 3-1/2 years. He explained Ms. McCabe was upset that day due to a death in the family. He offered to let her take the day off, but she stayed at work, saying she needed the hours.

City Administrator Announcements – None.

Mayor Comments - Mayor Hanzal stated the council is working on the bluff plan. More information will be given at the December meeting.

Council Comments – Councilmember Budge noted Mr. Kraus has been in business for 15 years and has a good rapport with the public and is now expanding into Lilydale.

Steve Apfelbacher, Stonebridge Homeowners Association president, asked to address the council. He stated he hopes efforts to clean the sewer system twice a year will continue with the new owner. He reminded the council of recent issues in the Stonebridge neighborhood with sewer blockages caused by grease.

Amy Kottke, legal counsel for Mr. Kraus, approached the city council. She stated that due to covenants, any sewer cleaning would require management company approval.

Adjournment – Mayor Hanzal adjourned the meeting at 5:00 p.m.

Respectfully submitted:

Mary Tollefson, City Clerk