

**LILYDALE CITY COUNCIL MEETING**  
**December 9, 2024**

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

**Also Present:** Kori Land, LeVander, Gillen & Miller; Police Chief Kelly McCarthy; Jennifer Koehler, Barr Engineering, and Julie Seykora

Mayor Diehl called the meeting to order at 4:30 p.m. The Pledge of Allegiance was recited.

**Agenda:** Mayor Diehl added a PTO modification to the agenda. **Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve the agenda as revised. Motion carried 5-0.**

**November 12, 2024 City Council Meeting Minutes** – Moved by Councilmember Cornell and seconded by Councilmember Kleinberg to approve the November 12, 2024 City Council Meeting Minutes, as presented. Motion carried 5-0.

**Public Comments** – None.

**Public Hearing: Storm Water Pollution Prevention Program (SWPPP)** – Jennifer Koehler presented the city’s Storm Water Pollution Prevention Program (SWPPP) which outlines the city’s programs and policies for reducing stormwater pollution. Mayor Diehl asked for public comments. No comments were made and Mayor Diehl closed the Public Hearing at 4:46 p.m.

Ms. Koehler indicated she has received no guidance yet from the State for the renewal of our MS4 permit that expires in November 2025.

**Public Hearing: Zoning Ordinance - Cannabis Uses and Lower-Potency Hemp Edible Uses** – Mayor Diehl opened the Public Hearing at 4:46 p.m. and deferred to Attorney Kori Land. Attorney Land stated that City’s moratorium prohibiting the approval of any new cannabis uses expires January 1, 2025 or whenever new zoning ordinances are adopted.

Ms. Land explained the 13 cannabis uses legally recognized by the State of Minnesota that need to be placed in the city’s Zoning Code. Ordinances will be presented for registration and prohibiting the use of cannabis in public places. She explained the four main uses (categories) associated with cannabis and lower-potency hemp edibles and noted a person must be 21 to buy and sell the products. The proposed zoning ordinance includes a 100-foot buffer restriction between all cannabis and lower-potency hemp edible uses. She explained the rationale for prohibiting manufacturing uses and outdoor cultivation within the city, performance standards for all uses, and the city’s role in permitting.

Mayor Diehl expressed his concern that Lilydale could become a regional quick stop off the freeway for cannabis sales and it could be a threat and disruption to our community. He would like to protect Lilydale from this type of degradation. Ms. Land confirmed the State does allow a city to restrict the distance from cannabis businesses and places where minors tend to congregate such as schools and daycares. She stated the city could adopt a buffer of 500 feet from a daycare and 1,000 feet from a school.

Mayor Diehl asked for questions and comments from the public. Greg Voss, owner of Chet’s Liquor, indicated he already sells gummies and low potency beverages. He attended the hearing to listen and learn

what is involved in setting up a cannabis dispensary and then consider if it is doable or not. Attorney Land reported that the Office of Cannabis Management is not issuing licenses yet.

Mayor Diehl again asked for public comments and hearing none closed the Public Hearing at 5:34 p.m.

**Moved by Mayor Diehl and seconded by Councilmember Hanzal to adopt Ordinance 2024-02, Amending Chapter 9 of the Lilydale City Code Regarding Cannabis Uses and Lower-Potency Hemp Edible Uses and prohibit cannabis uses within 500 feet of a daycare and 1,000 feet of a school. Motion carried 5-0.**

**Ordinance 2024-03, Enacting Chapter 5, Part 9 of the Lilydale City Code Regarding Cannabis Uses and Lower Potency Hemp Edible Uses. Moved by Councilmember Kleinman, seconded by Councilmember Hanzal to approve Ordinance 2024-03, Enacting Chapter 5, Part 9 of the Lilydale City Code Regarding Cannabis Uses and Lower-Potency Hemp Edible Uses. Motion carried 5-0.**

**Ordinance 2024-04, Enacting Section 704.02 of the Lilydale City Code Prohibiting Cannabis Use on Public Property and in Public Places – Moved by Councilmember Cornell and seconded by Councilmember Kleinberg to approve Ordinance 2024-04 Enacting Section 704.02 of the Lilydale City Code Prohibiting Cannabis Use on Public Property and in Public Places. Motion carried 5-0.**

**Open Items** – Jennifer Koehler noted that she has not yet received quotes for sewer cleaning.

**Building Official Report** – Twenty permits were issued and 29 closed in November 2024.

**Police Report** – Mayor Diehl thanked Chief McCarthy for the department’s service, being a great partner and assistance with setting up a meeting with Mayor Levine, Councilmember Hanzal and City Administrator Tollefson.

**City Attorney** – No report.

**City Engineer** – No report.

**November Financial Reports** – The financial reports for November were presented. **Moved by Mayor Diehl and seconded by Councilmember Hanzal to approve the November 2024 financial reports. Motion carried 5-0.**

**Paid Time Off Amendment** – Mayor Diehl explained it was brought to his attention that the city administrator would lose unused vacation days for the current year. The current carry over policy is six days. He proposed a one-time amendment to the vacation policy allowing carry over of 10 days and recommended referral to the personnel and finance committee for subsequent review. **Moved by Mayor Diehl and seconded by Councilmember Cornell to amend the vacation policy and allow the city administrator to carry over 10 days from 2024 to 2025. Motion carried 5-0.**

**History Committee** – Councilmember Kleinman reported the committee has held two meetings and he distributed minutes for the November 18, 2024 meeting. Kleinman explained an instructional class on how to interview people, and what members should know prior to conducting interviews was the focus of the second meeting. The committee’s next meeting is the third week in December.

**Community Waste Abatement 2025 Grant Program Agreement** – Moved by Mayor Diehl and seconded by Councilmember Cornell to approve the Community Waste Abatement 2025 Grant Program Agreement and authorize the Mayor to execute the Agreement. Motion carried 5-0.

**Renewal of Tobacco Licenses** –The permit fee and application materials have been submitted by each business for renewal of their tobacco licenses. Moved by Councilmember Hanzal and seconded by Councilmember Kleinberg to approve 2025 tobacco license renewals for Chet’s Liquor Drive-In, Inc., Holiday Stationstores, LLC, and Nazha, Inc. Motion carried 5-0.

**Sanitary Sewer and Storm Sewer Rates** – Councilmember Hanzal reported following a meeting with Shannon Sweeney and city administrator Tollefson, it was determined that more information on water usage is needed before any recommendations can be made. The sanitary and storm water rates would not be addressed until the January 2025 meeting.

**Council Comments** – Councilmember Cornell expressed the council’s appreciation for Captain Wegener’s presentation and his contribution and attendance at council meetings.

**Mayor’s Report** – Mayor Diehl acknowledged this was his last meeting and highlighted a few of the accomplishments during his service to the city, including demolition of the tennis club and development of senior living, upgrading Moose Country to Lilia Apartments and the retirement of the city’s mortgage on city hall. He proudly noted the council went page by page and updated the city’s Code Book.

Councilmember Hanzal read Resolution 2024-25 commending Mayor Diehl.

Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve Resolution 2024-25 Commending Mayor John E. Diehl. Motion carried 5-0.

**2025 Budget Hearing** – A hearing on the 2025 final tax levy and budget opened at 6:19 p.m. Mayor Diehl asked for comments. No comments were made and Mayor Diehl closed the hearing at 6:21 p.m.

**Resolution 2024-24, Approving Final Tax Levy for the Year 2024, Collectible in 2025 and Adopting the City of Lilydale Budget for 2025** - Moved by Councilmember Hanzal and seconded by Councilmember Kleinman to approve Resolution 2024-24 Approving Final 2024 Tax Levy of \$679,269 Collectible in 2025 and Adopting Proposed Budget of \$751,609 for 2025. Motion carried 5-0.

**Adjournment** – The meeting adjourned at 6:25 p.m.

Respectfully submitted:

---

Mary Tollefson, City Clerk