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The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Krachmer and City Council Members

FROM: Bob Sundberg, Finance Director

DATE: June 16, 2026

SUBJECT: 2026 Preliminary CIP discussion

Background

A draft copy of a proposed Capital Improvement Plan (CIP) is attached. Staff is looking for input; the Capital Improvements fund (CIF) – a component of the CIP, is the only component of the CIP that is funded with property taxes. The other sections of the CIP have separate funding sources as noted in the CIP. Department heads will be available to provide more detailed information regarding their specific CIP items for your consideration.

CIF

The proposed 2027 CIF amount is \$67,000 lower than the approved 2026 CIF amount. Several new items are proposed, including funding for the Council's desired phase-out of special assessments. Funding for the mandated Comp Plan update is spread out between 2027 and 2028. A placeholder amount of \$500,000 is included for the Fire Station project. Finally, election equipment updates are estimated to cost \$70,000. The italicized items in the plan are funds being set aside for future large expenditures. This practice helps to smooth out necessary levy amounts to avoid one-time spikes in the years of replacement.

Highlights of Other CIP Components

Park Dedication fund: \$800,000 is budgeted to implement certain recommendations from the Parks Master Plan; specific projects will be discussed with Council in the future.

Water Utility fund: \$200,000 is budgeted for water infrastructure updates in conjunction with the 2027 street project. Most of the other projects are to update current infrastructure and will need to continue on an annual basis. The aging infrastructure necessitates continued spending. \$100,000 is planned for water-related Comfort site improvements.

Sewer Utility fund: \$200,000 is budgeted for sewer infrastructure updates in conjunction with the 2027 street project. \$50,000 is planned for sewer-related Comfort site improvements.

Storm Sewer Utility fund: \$100,000 is budgeted for storm sewer infrastructure updates in conjunction with the 2027 street project. \$100,000 is planned for storm sewer-related Comfort site improvements. \$250,000 is planned for the E. Vadnais Subwatershed Resiliency project (LCCMR). Several other infrastructure improvement projects are included to maintain and improve existing assets.

MSA funds: \$200,000 is budgeted for Belland Ave. improvements.

Franchise Fees fund: \$960,000 is allocated for street improvements funded through franchise fees.

Special Assessments fund: \$1 million is budgeted in 2027; future years' amounts reflect Council's desire to phase out special assessments.

Summary

The CIP discussion is the starting point for the 2027 budgeting process. Special attention is warranted for the CIF component of the CIP as it directly affects the levy and taxpayers. 2028 through 2036 items are preliminary and are for planning purposes only.

Attachment

2026 -2036 CIP

City of Vadnais Heights, Minnesota											4
Proposed Amended Capital Improvement Plan											
2026 through 2036											
June 16, 2026											
	Approved	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
CAPITAL IMPROVEMENTS FUND (funded through tax levy)											
12/31/25 balance: \$4,500,000											
Public Works Operating Equipment:											
2024 FORD F250 4X4 W/PLOW, #101											
2018 Cushman Hauler 1200X, #102											
2023 FORD F-250 4X4 W/PLOW, 103					60,000						
2024 FREIGHTLINER 114SD DUMP/PLOW/ WING, #104											
2022 Freightliner/Tow Master plow truck, #105											
2022 Ford F550XL bucket truck, #108						100,000					
2024 FORD F-350 4X4 W/PLOW, #109					60,000						
2024 FORD F550 4X4 MULTI USE, #110											
2020 Bobcat tool cat, #111	75,000										
2023 Ford F-350, #112				60,000							
2017 Dodge 3500 utility, #113											
2025 FREIGHTLINER 114SD DUMP/PLOW/ WING, #114											
2024 FORD F550 4X4 MULTI USE, #115											
2018 Freightliner SD dump plow truck, #116				210,000							
2024 FORD F250 UTILITY 4X4 W/PLOW, #120											
2023 926M CAT LOADER, #121											
2006 Sky Jack Man lift, #122	50,000										
2022 Caterpillar mini excavator, #123						80,000					
2023 John Deere 324G, #124											
2023 Doosan P250 air compressor, #125											
2018 Wacker roller, #126											
1999 HONDA GEN / TRAILER, #127											
2023 JOHN DEERE 325G, #128											
2015 Brush Bandit chipper model 990, #131	100,000										
2019 FELLING FT12 EZ TILT TRAILER, #132											
1999 Onan generator, #133											
2002 Onan generator, #134											
2015 Linde forklift (purchased 2020), #137					30,000						
2020 trackless sidewalk machine, #309		200,000									
2019 Ford 350 4x4 with plow, #310			100,000								
2020 Chevrolet 2500 with utility box and plow, #311	75,000										
2013 Chev 2500 HD 4x2, #312	65,000										
2019 Ford 450 super duty dump box, #313			90,000								
2025 FORD F550 4X4 MULTI USE, #315											
2020 John Deere tractor, #317							50,000				
2024 TORO WORKMAN , #321											
2018 John Deere 1585 mower combo, #322					60,000						
2026 JOHN DEERE 1600 TERRAIN CUT, #326	125,000										
2012 John Deere Gator, #331											
2021 GMC Terrain, #401	45,000										
2021 GMC Terrain, #403			45,000								
Trail maintenance equipment			250,000								
2013 Ford F-150, #406											
Fire Equipment											
2021 Chevy Tahoe - C801							85,000				
2021 Chevy Tahoe - C802							85,000				
2024 Dodge Durango - C803							85,000				
2017 Ford F-150 - U815						75,000					
2007 Rosenbauer Spartan - E821 savings pool	47,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
2023 Rosenbauer Spartan - E811 savings pool	41,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
2024 Ford F250 - E813											
2025 Pierce Aerial - L812 savings pool	70,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
1997 Peterbuilt - S816											
1995 Peterbuilt - T817 (refurb)					750,000						
2010 Ford F-350 - BR814										150,000	
1990 Ford F-350 - BR824 (no replacement planned)											
2020 Draeger - SCABA (SCABA expires in 15 years)										650,000	
Fire Station 810 Updates											
Fire station improvements (placeholder)	500,000	500,000									
Buildings Maintenance											
HVAC savings pool	50,000	50,000	50,000	50,000	75,000	75,000	75,000	75,000	100,000	100,000	100,000
North Service Center roof			500,000								

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MSA FUNDS (State construction funds)											
12/31/25 balance: \$1,500,000											
Willow Lake Blvd.			1,000,000								
County Road D street (estimated City share)											
Greenhaven	2,800,000										
Edgerton							600,000				
Belland		200,000									
International			250,000								
Buerkle			150,000								
Judson			250,000								
Berwood								500,000			
Meadowood						850,000					
Foothill					650,000						
County Road F				500,000							
Vadnais Boulevard				1,000,000							
Annual totals	2,800,000	200,000	1,650,000	1,500,000	650,000	850,000	600,000	500,000	-	-	-
FRANCHISE FEES FOR STREETS MAINTENANCE											
12/31/25 balance: \$700,000											
Annual Street Improvement Program	1,200,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000
Annual totals	1,200,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000	960,000
SPECIAL ASSESSMENTS FUNDS (collected from benefitting properties)											
Annual Street Improvement Program	750,000	1,000,000	750,000	500,000	350,000	250,000	150,000	100,000			
Annual totals	750,000	1,000,000	750,000	500,000	350,000	250,000	150,000	100,000	-	-	
Grand Totals	12,968,000	6,673,500	6,651,000	5,081,000	5,561,000	8,841,000	3,616,000	3,211,000	2,686,000	3,536,000	2,786,000