

VADNAIS HEIGHTS BUDGET & CIP: UNRESOLVED CONFLICTS

What the published numbers show - and what the City has not reconciled

Bottom line

The City's memos, annual budget, levy presentation and capital plan contain conflicting totals and incomplete funding explanations. Residents cannot determine the full cost of several projects or reconcile the published capital spending from the documents the City provided.

Five facts residents should know

- **\$600,000 was added after the preliminary plan.** The final 2026 Capital Improvements levy added \$500,000 for future fire-station needs and \$100,000 for future parks improvements.
- **The Comfort Site was not just a \$150,000 item.** The full 2026 allocation was \$350,000 when water, sewer and stormwater funds are included.
- **Park funding depends on an anticipated developer payment.** The City projected a \$464,000 Gallery Apartments Phase I park-dedication fee. Added to the \$385,000 fund balance, it could support the proposed \$800,000 expenditure—but the payment receipt is not included.
- **Sewer and stormwater capital totals conflict.** The annual departmental budgets and the CIP tables differ by a combined \$350,000.
- **The documents do not show projected ending balances.** Residents cannot tell from the CIP alone whether each fund can support all proposed spending.

1. Where the 2026 Capital Improvements levy went

The final Capital Improvements Fund levy was \$1,593,000. The levy presentation divides it between current spending and money saved for later projects:

Purpose	Amount
Current equipment, Comfort Site, LED work and survey	\$785,000
Fire-vehicle savings pools	\$158,000
HVAC savings pool	\$50,000
Fire Station Upgrade savings	\$500,000
Parks Improvements savings	\$100,000
Total Capital Improvements levy	\$1,593,000

What residents should understand: The \$500,000 fire-station amount was savings collected through the property-tax levy, not debt service and not construction spending during 2026. The City stated that without the fire-station and parks savings, the total levy increase would have been 2.35% instead of 9.18%.

2. Comfort Site: the complete amount is larger

The levy presentation showed only the \$150,000 property-tax-funded portion. The adopted CIP allocated money from four funds:

2026 source	Amount
Capital Improvements / property taxes	\$150,000
Water Utility	\$50,000
Sewer Utility	\$50,000
Stormwater Utility	\$100,000
Total allocated for 2026	\$350,000

The June 2026 CIP continues Comfort Site allocations into 2027 and 2028. Across the three-year period, the apparent cumulative allocation reaches approximately \$900,000. **The City documents reviewed do not provide a total project estimate, building size, final scope, utility cost-allocation formula or projected operating cost.**

3. Park funding: two separate pots of money

The proposed \$800,000 in 2027 park spending comes from the Park Dedication Fund, which holds developer fees. This is a different fund from the \$100,000 taxpayer-funded parks savings described in fact 1. The Park Dedication Fund arithmetic:

Park Dedication Fund (developer fees)	Amount
Fund balance on 12/31/25	\$385,000
+ Projected Gallery Apartments Phase I fee (receipt not produced)	\$464,000
= Potential resources if the projected fee was collected	\$849,000
– Proposed 2027 Park Dedication Fund spending	\$800,000
= Potential balance remaining after the proposed spending	\$49,000

The other pot: a separate \$100,000

The \$100,000 in parks savings collected through the 2026 property-tax levy sits in the Capital Improvements Fund, not the Park Dedication Fund above, and is not part of the \$849,000 total. Whether the City intends it for the same projects as the \$800,000 Park Dedication plan, or for separate projects, is unclear from the documents (see Question 6).

What changed: A City memo projects \$464,000 from Gallery Phase I, based on 232 units at \$2,000 each. Combined with the \$385,000 balance, potential resources reach \$849,000—enough for the proposed \$800,000 expenditure. But no payment receipt, ledger posting or permit worksheet was provided. A later construction description lists 231 units (\$462,000). The City must document the count assessed and the amount paid.

4. Capital totals that do not match

The final 2026 annual budget and the CIP section of that same budget book report different capital amounts:

Category	Annual budget	CIP table	Difference
Sewer	\$425,000	\$250,000	\$175,000
Surface water	\$1,175,000	\$1,000,000	\$175,000
Combined	\$1,600,000	\$1,250,000	\$350,000

5. Other items needing clarification

- **The 2027 reduction is misstated.** The June 2026 memo says the Capital Improvements Fund falls by \$67,000, but \$1,593,000 minus \$1,426,000 equals \$167,000.
- **Greenhaven financing changed by \$365,000.** The June 2025 street memo anticipated \$1.115 million in special assessments; the final CIP shows \$750,000, without explaining the replacement source or cost reduction.
- **The reserve slide uses confusing signs.** It describes reserves as being used while showing negative \$808,000 for the Capital Improvements Fund. That figure appears to mean \$808,000 was added to savings, not withdrawn.
- **Fund sustainability is not shown.** The CIP lists beginning balances but not annual revenue, transfers, grant reimbursements, minimum reserves or projected ending balances.

Questions the City needs to answer

1. Which figures are correct: the annual departmental budgets or the CIP tables? Account for the full \$175,000 sewer difference and the full \$175,000 surface-water difference.
2. Why did the public levy presentation show only \$150,000 for the Comfort Site when the complete 2026 allocation across four funds was \$350,000?
3. What is the total authorized cost of the Comfort Site, what exactly will be built, and what records justify charging water, sewer and stormwater customers?
4. Where is the \$100,000 parks reserve collected through the 2026 property-tax levy? Identify its fund, current balance, restrictions, expenditures and intended projects.
5. Did the City actually receive the projected \$464,000 Gallery Apartments Phase I park-dedication fee? Produce the payment receipt, cash-receipt or ledger posting, date received, permit worksheet and the unit count used—232 approved units or 231 reportedly under construction.
6. Is the separate \$100,000 taxpayer-funded parks reserve included in or additional to the \$800,000 Park Dedication plan? Identify the fund, intended projects and safeguards against counting or funding the same costs twice.
7. Why does the levy presentation call the Capital Improvements figure 'reserves used' when the negative \$808,000 appears to represent money added to savings? Provide a plain-language reserve reconciliation.
8. What caused Greenhaven special-assessment funding to fall from \$1.115 million to \$750,000, and what source replaced the missing \$365,000?
9. Provide beginning balances, all 2026-2028 revenues and transfers, every planned expenditure, and projected ending balances for each CIP fund.

Documents reviewed

- June 17, 2025 - 2026 Preliminary CIP discussion and departmental memoranda (especially pp. 1, 5-8 and 11-14).
- December 2, 2025 - 2026 Levy and Budget Public Hearing presentation (especially pp. 4 and 7).
- City of Vadnais Heights 2026 Annual Budget (especially printed pp. 45, 47 and 49-52).
- June 16, 2026 - 2026 Preliminary CIP discussion for the proposed 2027-2036 plan (especially pp. 1-5).
- September 15, 2025 - Parks-funding memorandum identifying the projected \$464,000 Gallery Apartments Phase I fee.

This brief compares the figures printed in the City's own documents. Where the documents do not reconcile, the discrepancy is identified rather than assumed away.