Goodhue County
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FY2027-28

Preliminary Budget & Levy

Budget Workshop

August 25, 2026

Overview

Goodhue County continues its two-year budgeting cycle. This presentation provides a brief overview of the updated 2027 preliminary budget and levy, early estimates for 2028, significant changes since last year’s draft, and the strategic decisions guiding the development of both budgets.

Staff revised the draft to incorporate:

- Findings and priorities identified through the recent Facilities Assessment
- Strategic shifting of expenses to reduce levy pressure
- Direction and feedback received during multiple County Board workshops focused on reducing the projected 2027 levy increase
- Longer-term financial planning considerations to address ongoing capital needs while maintaining fiscal responsibility

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2027 Budget and Levy Development Overview

August 2025 draft:

2027 Preliminary budget = $106,605,377
2027 Preliminary levy = $55,884,025
2027 Increase over 2026 levy = $6,058,521 or 12.16%

December 2025 draft :
Following completion of facilities assessment

2027 Preliminary budget = $110,289,111
2027 Preliminary levy = $58,145,973
2027 Increase over 2026 approved levy = $9,884,469 or 20.48%

August 2026

Preliminary	2027	2028
Budget	$110,014,806	$ 115,334,469
Levy	$51,939,431	$ 55,767,033
Levy Increase	$3,677,927 / 7.62%	$3,827,602 / 7.37% *

** Increase over 2027 proposed preliminary levy*

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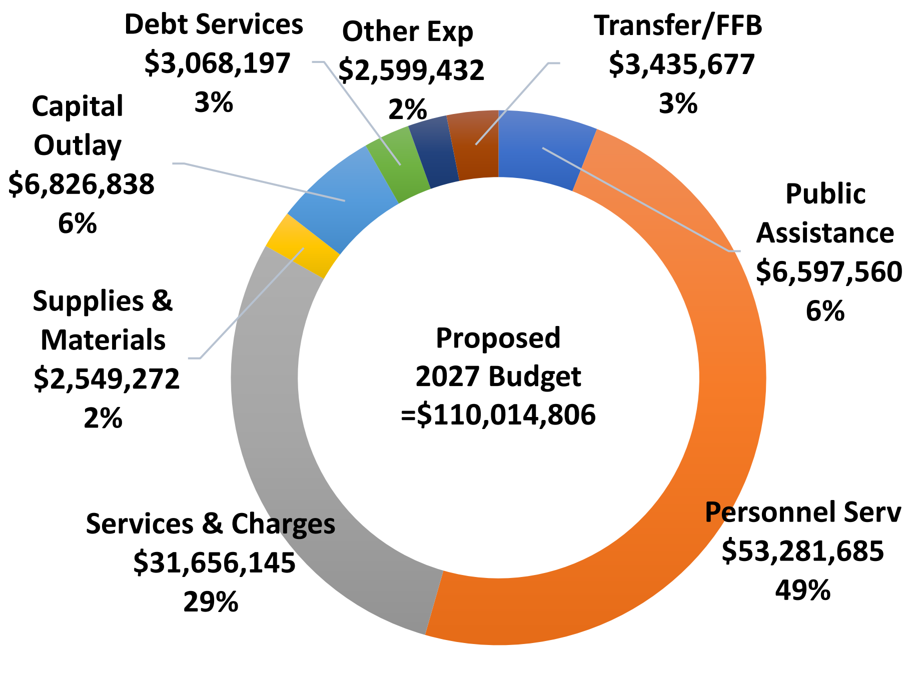
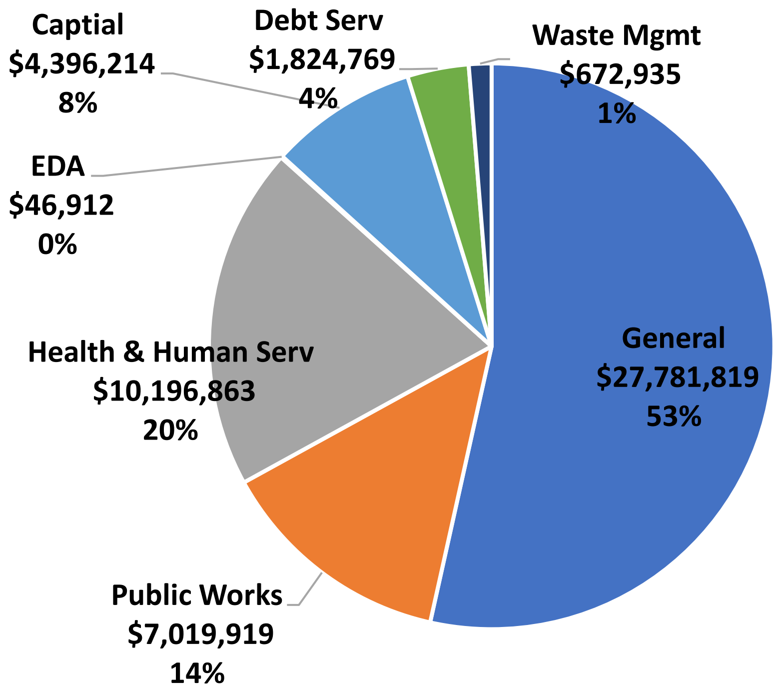
2027 Budget & Levy Breakdown



Proposed Budget by Expenditure Type



General Fund:
Administration
Finance & Taxpayer Services
Land Offices
Veteran's Services
Sheriff
County Attorney

Proposed Levy by Fund

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Budget Drivers

Personnel Services

Goodhue County employs 398 individuals across six union contracts. The 2026–2028 agreements include:

- 3% annual wage increases
- Health insurance: Previously planned at 19%, now 13% increase for 2027 based on Insurance Committee review- *due to timing, this will be updated in the next draft budget*
- Paid Family Medical Leave rate guarantee: 0.80%

- For 2028 planning, personnel budget includes a 10% projected health insurance increase

Budget Drivers

Outside Agencies

- Agencies were notified for a potential 10% funding reduction for 2027; however, the Budget Committee recommended holding 2027 funding at 2026 levels
- The SELCO library services agreement was updated to maintain funding at the 2026 level

- A 3% funding increase has been factored into the preliminary 2028 budget

Description	2027 Requested	2027 Recommended	2028 Draft Budget
Cannon Valley Trail	$ 157,033	$ 151,849	$ 156,404
Goodhue County History Center	$ 140,000	$ 137,000	$ 141,110
Soil and Water Conservation District	$ 460,000	$ 462,000	$ 475,860
Goodhue County Fair	$ 55,000	$ 55,000	$ 56,650
Cannon Valley Fair	$ 10,000	$ 10,000	$ 10,300
Goodhue County Humane Society	$ 21,000	$ 21,000	$ 21,630
South Eastern EMS	$ 5,000	$ 5,000	$ 5,150
SEMCAC	$ 5,000	$ 5,000	$ 5,150
Hope Coalition	$ 7,500	$ 7,500	$ 7,725
EDA Outside Agencies:			
Southern Minnesota Tourism	$ 2,141	$ 2,379	$ 2,450
Southern MN Small Business Develop Cnt	$ 3,000	$ 3,000	$ 3,090
Initiative Fund	$ 3,150	$ 3,150	$ 3,245
Ignite	$ 20,000	$ 15,000	$ 15,450
Total	**$ 888,824**	**$ 877,878**	**$ 904,214**
SELCO	**$ 619,339**	**$ 606,600**	**$ 624,798**

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Budget Drivers

Health & Human Services

Makes up the largest portion of the county's workforce and experiences the highest turnover

- Preliminary budgets include a 1% fund balance offset for salaries/benefits due to typical vacancies

Increasing federal/state mandates and cost shifts

- An additional $500,000 in fund balance has been incorporated into the 2028 budget to help offset anticipated levy impacts from federal and state cost shifts related to H.R.1 SNAP and LTSS Residential programs
- The combined impact of these anticipated cost shifts is estimated to increase the 2028 levy by approximately $1M

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Budget Drivers

Road & Bridge

Highway Construction levy increases include:
- $500,000 for Right-of-Way acquisition
- $195,000 for consultant support

The current Design Manager vacancy may require additional consulting services to maintain project capacity and timelines

Note the Right-of-Way Acquisition specific assigned balance at 7/31/26 is $1,074,014. This balance is excluded from the Available Fund Balance when calculating Fund Balance Ratios.

Parks & Trails

Continues to levy $160,000 for ***improvements*** and ***capital items*** within the operating budget including:
- Purchase of a UTV (side by side)
- Purchase/Installation of a storage shed
- Gravel for septic pumping truck to Host Sites
- ADA compliance items
- Fencing
- Picnic Tables, Benches
- Etc.

Note the Parks & Trails specific assigned balance at 7/31/26 is $1,061,009. This balance is excluded from the Available Fund Balance when calculating Fund Balance Ratios.

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Budget Drivers

Capital Planning & Facility Assessment

The 2026 Facilities Assessment identified numerous building improvement needs not previously in capital planning

Board direction was to implement a stepped fund balance approach:

- 2027: $2M fund balance
- 2028: $2M fund balance
- 2029: $1M fund balance

After 2029, existing debt is retired, enabling levy dollars to shift toward capital expenditures.

- *If issuing new debt for capital, the statutory requirements would need completion in 2029 or 2030*

The 2027 capital budget increases $1,596,868 over 2026, with a levy increase of $277,476
The 2028 capital budget increases $423,973 over the 2027 proposal, with a levy increase of $509,553

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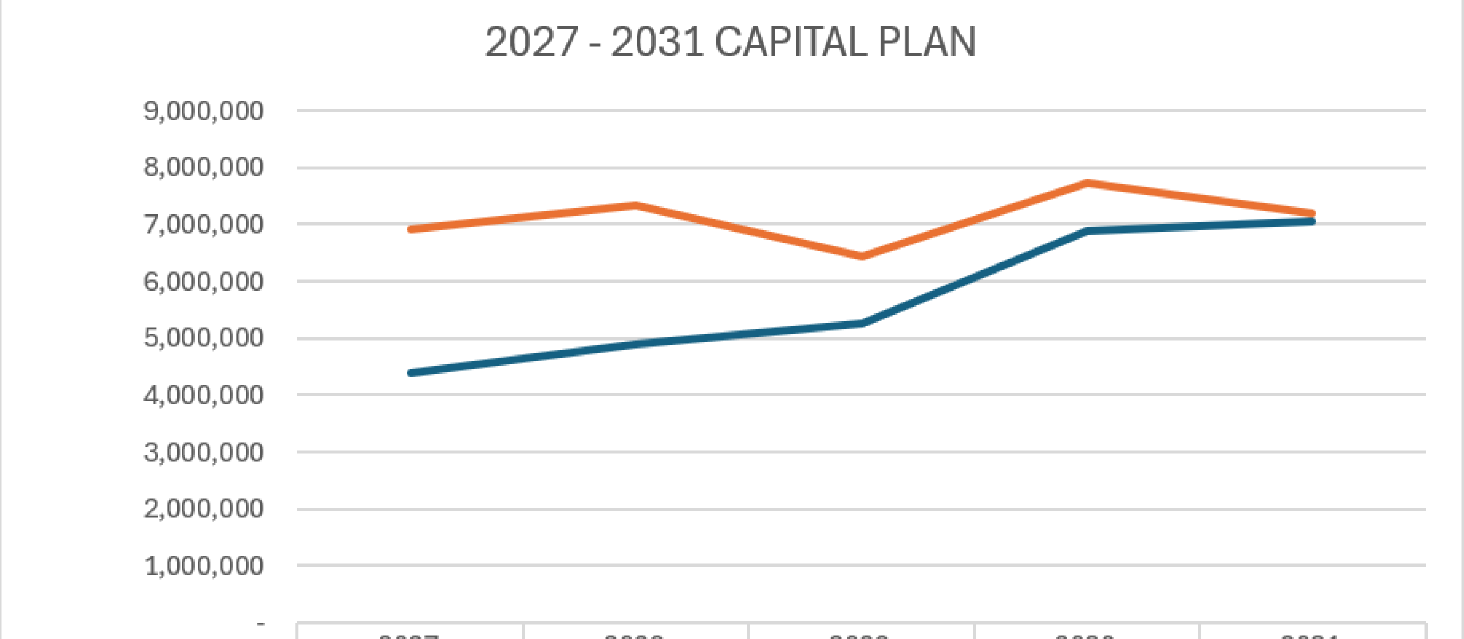
Budget Drivers

Capital Plan - 5 Year Outlook



	2027	2028	2029	2030	2031
Total Capital	6,924,155	7,348,128	6,436,261	7,728,064	7,197,969
Capital Levy	4,396,215	4,905,768	5,258,998	6,885,570	7,064,582

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Budget Drivers

Summary of Capital, Revenue Source & Classifications

TOTAL CAPITAL	2026	2027 Previously Presented	2027	2028	2029	2030	2031
Total Expenditures	5,327,287	9,872,544	6,924,155	7,348,128	6,436,261	7,728,064	7,197,969
Total Capital Levy	**4,118,739**	**9,541,779**	**4,396,215**	**4,905,768**	**5,258,998**	**6,885,570**	**7,064,582**

REVENUE SOURCE	2026	2027	2027	2028	2029	2030	2031
Operating Levy	47,194	27,418	-	4,570	7,530	12,128	5,427
State / Federal Grants	23,767	148,506	335,183	375,990	43,130	821,736	119,059
Reserved Fund Balance	1,095,737	151,541	2,108,351	2,060,000	1,124,802	6,831	7,101
Squad Car Offset Transfer	3,300	3,300	1,800	1,800	1,800	1,800	1,800
Motor Pool Fund Balance	38,550	-	82,606	-	-	-	-
Capital Levy	4,118,739	9,541,779	4,396,215	4,905,768	5,258,998	6,885,570	7,064,582
Total Capital	**5,327,287**	**9,872,544**	**6,924,155**	**7,348,128**	**6,436,261**	**7,728,064**	**7,197,969**

CAPITAL LAYOUT BY CLASSIFICATION	2026	2027	2027	2028	2029	2030	2031
Land & Land Improvements	-	-	76,503	-	20,000	-	-
Building & Building Improvements	2,408,417	7,289,581	4,840,766	3,969,726	3,267,772	3,556,422	3,889,190
Vehicles	1,096,004	1,127,716	401,186	1,135,980	1,349,322	1,112,050	1,203,922
Equipment & Machinary	1,063,790	684,330	962,021	1,174,997	983,802	1,255,326	1,243,933
Furniture & Fixtures			-	15,045	24,793	140,120	6,655
Miscellaneous Personal	21,000	95,622	-	-	-	-	-
Technology/Office Equipment	738,076	675,295	643,679	1,052,380	790,571	1,664,147	854,269
Total Capital	**5,327,287**	**9,872,544**	**6,924,155**	**7,348,128**	**6,436,261**	**7,728,064**	**7,197,969**

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Budget Drivers

Reduction in State Aids

Department of Revenue Certified State Aid	2026	2027	$	%
County Program Aid	2,637,688	2,569,399	(68,289)	-3%
Aquatic Invasive Species Prevention Aid	62,564	31,327	(31,237)	-50%
Local Homeless Prevention Aid	64,498	59,653	(4,845)	-8%
Out of Home Placement Reimbursement Aid	8,420	16,091	7,671	91%
Riparian Protection Aid	108,978	108,663	(315)	0%
Statewide Affordable Housing Aid	67,743	55,847	(11,896)	-18%
Total	**2,949,891**	**2,840,980**	**(108,911)**	**-4%**

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Budget Drivers

Other Budget Assumptions

- Sheriff's Office:
  - Includes Port Security Grant ($170,775) for Emergency Services shed insulation; removed if grant not awarded
- Adult Detention Center:
  - Based on average of 45 county inmates
  - $80,000 increase in prescription drug costs

- 27th Pay Period: $350,000 budgeted in both 2027 and 2028
- MCIT Insurance: 10% placeholder for Workers' Comp & Property Insurance
- Interest Revenue: $2,500,000 (same as 2026)
- Budgeted Fund Balance (2027):
  - Motor Pool: $82,606
  - HHS: $318,951
  - Facilities Assessment: $2,000,000

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Fund Balance Ratios

12/31/2025
Cash Basis Financials

Funds	Total Fund Balance	Available Fund Balance After 2026 & 2027 Budgeted Use of Fund Balance	2027 Draft Budgeted Expenditures	Fund Balance Ratio	Target FB Ratio	Maximum Dollar FB Target	Balance over Max FB Target
General Revenue	39,537,194	26,450,914	44,087,477	**60.0%**	**35-50%**	22,043,739	**4,407,176**
Road and Bridge	17,566,229	15,026,871	29,614,559	**50.7%**	**30-40%**	11,845,824	**3,181,047**
Health & Human Services	19,682,480	9,155,936	25,424,850	**36.0%**	**30-40%**	10,169,940	**N/A**
Waste Management	1,322,506	676,903	1,066,978	**63.4%**	**30-40%**	426,791	**250,112**
All Other*	8,095,982	N/A	9,820,942	N/A	N/A	N/A	**N/A**
	86,204,391		**110,014,806**				**7,838,335**

Total 2027 Countywide Budgeted Use of Fund Balance is $4,014,235. This includes $2,000,000 of General Fund Unassigned Fund Balance for Facility Assessment implementation, $1,322,789 of Restricted Funds related to Debt Payoff, with the remaining balance made up of other Restricted, Committed, and Assigned Funds.

The Finanical Policy states that the Road & Bridge Fund may not be within the target range due to planned projects and will be evaluated as needed to ensure reserves are sufficent.

Excess Waste Management Fund Balance will be used for the closure costs related to the Demolition Landfill.

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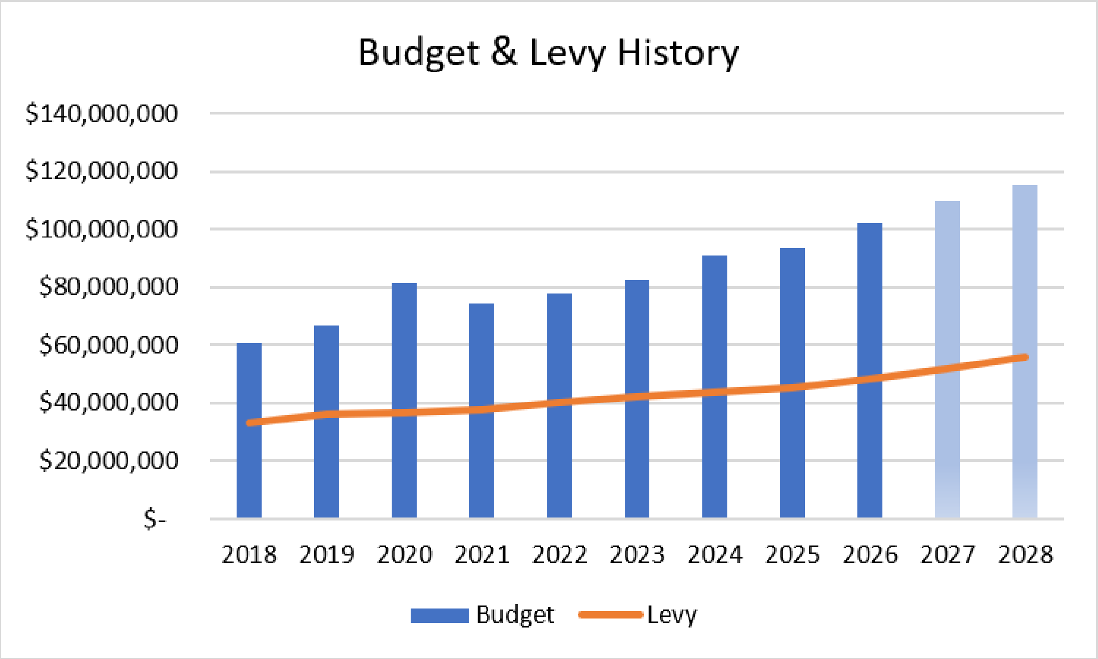
Budget & Levy History

Year	Budget	Levy	Levy Inc	Tax Rate
2018	$ 60,962,871	$ 33,000,000	6.56%	43.882%
2019	$ 66,734,178	$ 35,963,370	8.98%	46.502%
2020	$ 81,278,990	$ 36,876,033	2.54%	46.661%
2021	$ 74,611,872	$ 37,899,109	2.77%	45.430%
2022	$ 77,827,628	$ 40,138,812	5.91%	47.181%
2023	$ 82,305,559	$ 42,020,645	4.69%	42.863%
2024	$ 90,965,420	$ 43,787,376	4.20%	42.022%
2025	$ 93,616,249	$ 45,315,975	3.49%	40.792%
2026	$ 101,948,364	$ 48,261,504	6.50%	42.011%
2027	$ 110,014,806	$ 51,939,431	7.62%	TBD
2028	$ 115,334,469	$ 55,757,033	7.35%	TBD



Budget Calendar

Feb 3	Annual Approval of Fiscal Policies
Feb- May	Workshops TBD by county board
March 3	Facilities Long-Term Funding Options Committee of the Whole
April 6	Capital Plan distributed to Departments
May 1	Capital Plan updates due to Finance
June 9	External Agencies presentation to Budget Committee
July 10	Materials out to all Department Heads
July 14	Capital Plan Committee of the Whole
July 24	Revised Departmental Budgets Due to Administration
August 13	Revised 2027 Budget to County Board
August 25	Budget Workshop
Sept 15	Establish 2027 Preliminary Levy
October	Additional budget meetings if necessary
November	Additional budget meetings if necessary
Dec 1	Budget Public Comment Period
Dec 15	County Board Meeting ✓ Final meeting to adopt 2027 Levy ✓ Final meeting to adopt 2027 Capital Plan
Dec 30	Deadline to Certify Levy to Auditor
Dec 30	Deadline to Certify TNT Compliance to DOR
Dec 30	Deadline to Certify Levy Report to DOR

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Questions?

Comments?

Discussion?

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Statewide Affordable Housing Aid (SAHA)

Item to be presented at Board Meeting on 9/1/26

- Results of current program
- Statutory requirements
- Options moving forward