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To: County Board of Commissioners

From: County Administration

Date: September 8, 2026

Re: 2027-2028 Preliminary Budget & Levy

Summary:
On August 13, 2026, the Board received the revised draft of the proposed 2027 budget and levy, along with preliminary estimates for 2028. A budget workshop was held on August 25 to review the information and consider options moving forward. Current budget and levy projections are as follows:

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

* *Increase over 2027 proposed preliminary levy*

Additional information to consider:
Since the Board received the updated budget, final projections for the County's health care costs have been received, showing a 13% increase rather than the previously estimated 19%. This results in an approximate savings of $300,000. In addition, staff received favorable renewal estimates for Liability Insurance and Workers' Compensation, representing an additional savings of approximately $32,000.

There has been considerable discussion regarding the Use of Fund Balance to reduce pressure on the 2027 and 2028 levy. The current 2027 draft includes $4,014,235 in budgeted Use of Fund Balance, most of which is allocated for Facility Assessment Implementation. Staff also explored options for using additional fund balance to support Right-of-Way acquisition and Park Improvements. Following internal review, staff would recommend a phased approach of $500,000 budgeted in both 2027 and 2028 for Right-of-Way acquisition and $160,000 for Parks to offset the corresponding budgeted costs.

There has also been discussion about budgeting Use of Fund Balance to offset a portion of payroll expenses, given that the county is seldom fully staffed even though the budget assumes full staffing. The current draft budget includes allocating 1% of Health and Human Services payroll costs as use of Fund Balance. If the board chooses to implement this approach countywide, it would result in an additional $350,000 budgeted as Use of Fund Balance.

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Summary of additional options to consider:			
2027 Draft Levy	$ 51,939,431	**2028 Draft Levy**	$ 55,727,054
Health care savings	$ (300,000)	Health care savings	$ (340,000)
PW Use of Fund Balance- Parks	$ (160,000)	PW Use of Fund Balance- Parks	$ (160,000)
PW Use of Fund Balance- ROW	$ (500,000)	PW Use of Fund Balance- ROW	$ (500,000)
Worker's Comp & Liablility Insurance savings	$ (32,000)	Worker's Comp & Liability Insurance Savings	$ (37,000)
General Fund/PW & WM Fund Balance 1% of payroll	$ (350,000)		
2027 Preliminary Levy	**$ 50,597,431**	**2028 Working Levy**	**$ 54,690,054**
Dollar Inc	$ 2,335,927	Dollar Inc	$ 4,092,623
% Levy Inc	4.84%	% Levy Inc over 2028 Prelim Levy	8.09%

Recommendation

Minnesota State Statute requires counties to certify their proposed property tax levy to the County Auditor by September 30 for taxes payable the following year. The final levy, which may be reduced but cannot exceed the approved preliminary levy, will be adopted by the board at its December meeting.

Staff recommends the board approve the following resolution establishing the 2027 Goodhue County preliminary property tax levy for 2027:

WHEREAS, Goodhue County Department Heads have submitted proposed 2027 department budgets which included anticipated revenues and expenditures; and

WHEREAS, The County Administrator has compiled all 2027 funding requests, revised, and presented said requests to the County Board; and

NOW THEREFORE IT IS RESOLVED, That the Goodhue County Board of Commissioners does herby certify to the County Auditor-Treasurer and the State of Minnesota the proposed preliminary property tax levy for 2027:

Total Levy $_______________

BE IT FURTHER RESOLVED, that the County Auditor-Treasurer hereby certify the above referenced preliminary levy to the Minnesota Department of Revenue.