



**Goodhue
County**
MINNESOTA

Facilities Long- Term Funding Options

March 3, 2026

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 6	Revised 2027 Budget to County Board
August 11	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

2026 Workshop Talking Points:



Facilities
Assessments



Bonding for
Projects



Pay As You Go
(PAYGO)

Facility Assessment & Master Planning

*Contegrity Group Inc. | Klein McCarthy Architects
TSP, Inc.*

- LEC, ADC, & Justice Center- Committee of the Whole Sept 2, 2025
- Public Works & Government Center- Committee of the Whole Sept 16, 2025
- The Master Plan serves as a comprehensive guide to identify needed improvements while providing a framework for prioritization, project planning, and long-term budgeting
- The Master Plan helps identify opportunities to combine projects, maximizing efficiency and achieving cost savings through economies of scale
- Improvements are prioritized as Immediate, Intermediate or Long-term categories based on staff input and industry standards
- Many of the identified projects were NOT in previous capital planning

Facility Assessment & Master Planning

Contegrity Group Inc. | Klein McCarthy Architects
TSP, Inc.

	Facilities Assessments & Maintenance Costs			
	Immediate 0-4 Years	Intermediate 5-10 Years	Long-Term 10-20 Years	Total
LEC/ADC/JUS	10,372,520	9,198,178	23,525,474	43,096,172
Public Works	2,914,799	2,596,990	4,915,583	10,427,372
Government Center	5,500,000	-	-	5,500,000
Total	18,787,319	11,795,168	28,441,057	59,023,544

- *Government Center item above is for plaza and remodeling of the basement.*
- *Facilities Assessments not completed for the HHS or Government Center Buildings.*
- *Approximately \$1.5M of “Immediate” projects funded for 2026*

Other Considerations – Public Works

- Recycling Center
 - Consultant did not recommend investing in existing buildings
 - Main Building estimate of \$817,748
 - \$581,248 is “immediate”
 - Drop Off Building estimate of \$18,742
 - All is “immediate”
- Byllesby Park
 - Campus estimate of \$148,568
 - \$5,210 is “immediate”

Other Considerations - LEC

- Possible Building Expansion with the City of Red Wing
 - Approximate cost for Goodhue County is \$3,000,000
 - Approximate cost for the City of Red Wing ranges from \$5.3M to \$10.5M
 - Staff is planning exterior repairs only at this time due to potential project
 - \$384,180 of LEC building items are classified as “immediate”

Pros and Cons of CP Funding Options

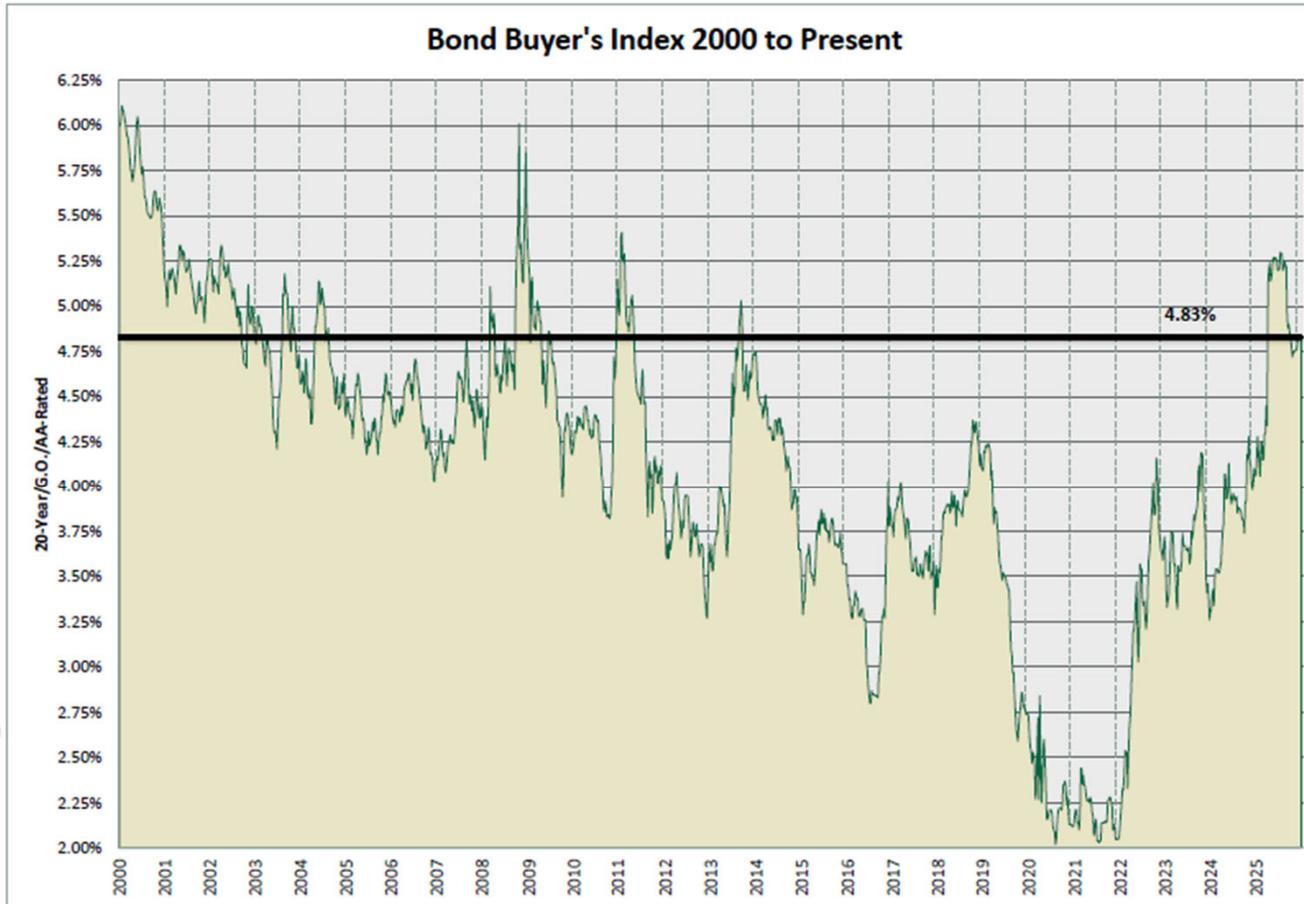
Delay, Bundle, & Bond for 10 years

- Requires long-term commitment from board
- Significant staff time and cost to plan and complete multiple projects at once
- Significant Interest Cost
- Does not establish building maintenance bucket to address ongoing R&M
- Additional Statutory & Compliance Requirements
- Must levy 105% of Debt Service Costs
- Need to bond in another 10 years to deal with remaining projects
- Other expenditures such as issuance costs, ongoing trustee fees, ongoing continuing disclosure, arbitrage calculations

PAYGO (Pay as you go)

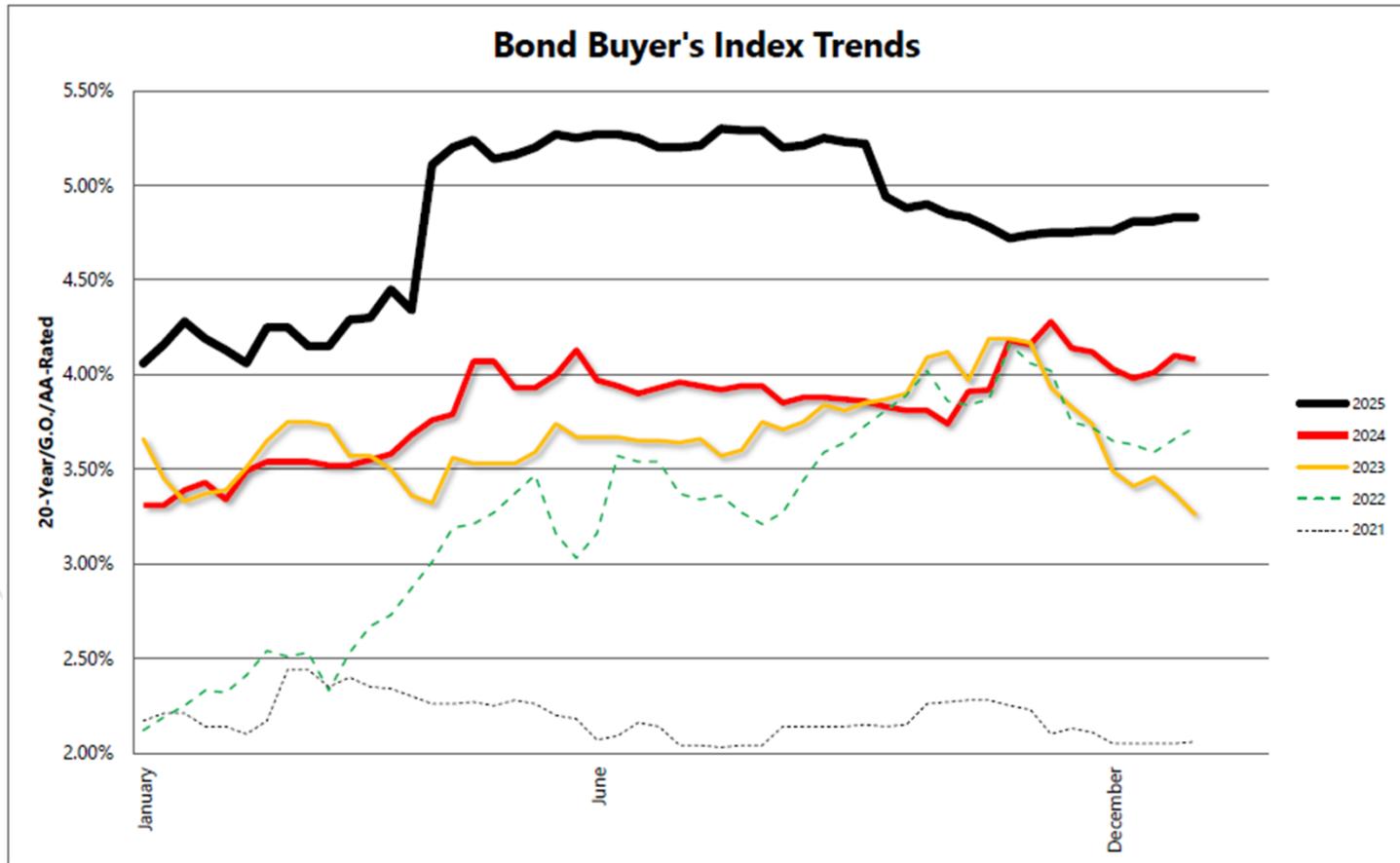
- Requires long-term commitment from board
- Independent projects may not be as cost effective if they cannot be included in a larger project scope
- No Interest Cost
- Establish building maintenance bucket to address ongoing R&M
- No Statutory Requirements
- More flexibility for timing of projects

Municipal Bond Interest Rate Trends



Source: Data compiled by Northland Securities from published Bond Buyer's GO 20-Bond Index

Municipal Bond Interest Rate Trends



Source: Data compiled by Northland Securities from published Bond Buyer's Index

10 Year Bonding Scenario Calculations

Bond Size: \$31,000,000 (Immediate & Intermediate Categories)

Term: 10 Years

Interest Rate: 4.83%

Annual Payment: \$3,981,565

Total Interest: \$8,815,655

Total Payments: \$39,815,655

Total Interest if rates increase

By 0.5% = \$9,792,314

Increase in Total Interest if rates

go up by 0.5% = \$976,659

Yr	Beg Balance	Interest	Principal	End Balance
1	31,000,000	1,497,300	2,484,265	28,515,735
2	28,515,735	1,377,310	2,604,255	25,911,479
3	25,911,479	1,251,524	2,730,041	23,181,438
4	23,181,438	1,119,663	2,861,902	20,319,536
5	20,319,536	981,434	3,000,132	17,319,404
6	17,319,404	836,527	3,145,038	14,174,366
7	14,174,366	684,622	3,296,944	10,877,422
8	10,877,422	525,379	3,456,186	7,421,236
9	7,421,236	358,446	3,623,120	3,798,116
10	3,798,116	183,449	3,798,116	-

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Term: 10 Years

Interest Rate: 4.83%

Annual Payment: \$3,981,565

Total Interest: \$8,815,655

Total Payments: \$39,815,655

Long-Term Plan With Master Planning Recommendations \$31M 10 Year Bond Issued @ 4.83% w/105% Statutory Levy						
	2026	2027	2028	2029	2030	2031
Current Debt Levy	1,980,000	1,825,000	1,825,000	1,050,000	-	-
New Debt Levy	-	-	-	786,083	4,117,649	4,114,606
Total Debt Levy	1,980,000	1,825,000	1,825,000	1,836,083	4,117,649	4,114,606

PAYGO Scenario Calculations

Approximately \$3,000,000 needed per year to complete all projects

Potential Options:

Long-Term Plan With Master Planning Recommendations						
Pay As You Go (PAYGO) <i>w/ \$3,000,000 Levy</i>						
	2026	2027	2028	2029	2030	2031
PAYGO CP Levy	400,754	3,000,000	3,090,000	3,182,700	3,278,181	3,376,526
Debt Levy	1,980,000	1,825,000	1,825,000	1,050,000	-	-
PAYGO & Debt Levy	2,380,754	4,825,000	4,915,000	4,232,700	3,278,181	3,376,526

OR

Long-Term Plan With Master Planning Recommendations						
Pay As You Go (PAYGO) <i>w/ incremental increases</i>						
	2026	2027	2028	2029	2030	2031
PAYGO CP Levy	400,754	1,000,000	1,500,000	2,800,000	3,278,181	3,376,526
Debt Levy	1,980,000	1,825,000	1,825,000	1,050,000	-	-
PAYGO & Debt Levy	2,380,754	2,825,000	3,325,000	3,850,000	3,278,181	3,376,526

PAYGO Scenario Calculations

Continue Levying debt amounts:

- Potentially accelerate timing of projects
- Future critical needs
- Stable yearly levy

Long-Term Plan With Master Planning Recommendations						
Pay As You Go (PAYGO) w/ \$3,000,000 Levy						
	2026	2027	2028	2029	2030	2031
PAYGO CP Levy	400,754	3,000,000	3,090,000	3,182,700	3,278,181	3,376,526
Debt Levy	1,980,000	1,825,000	1,825,000	1,050,000	-	-
Preventative Maint	-	-	-	775,000	1,825,000	1,825,000
Levy	2,380,754	4,825,000	4,915,000	5,007,700	5,103,181	5,201,526

Next Steps...

- Consensus for pursuing Bonding financing for projects?
- Consensus for pursuing Pay as You Go financing for projects?