

Minnehaha County Board of Commissioners

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From the Desk of Commissioner Gerald Beninga:

In 2017, The USD School of Business conducted a space study of Minnehaha County facilities and provided recommendations for department remodeling and relocation to optimize existing space and meet space needs fifteen years in the future. The results were welcome as optimizing existing space is less costly than construction of a new Administration Building. The study provided data to show the County has enough existing space which can be optimized for better efficiency, information flow and meet customer service needs.

In addition to analyzing space needs, the County Commission would also benefit from additional information regarding the time and structuring of financing for renovations and replacing the aging Highway facility. Much like the County asked for private sector input from area business and accounting professional to review the County budget in 2017, the Commission sought expertise from the private sector to review capital financing.

Earlier this summer, the Minnehaha County Commission created an ad hoc working group to review Minnehaha County's facility needs. Members were asked to analyze data and provide recommendations for future steps the county may take when dealing with upcoming capital projects. The process began with touring facilities and reviewing financial data to create a finding of facts and conclusion which resulted in recommendations to assist the County in maintaining organizational readiness, meet capital needs, and provide a stable financial position for the future.

The recommendations indicated "tours of County facilities and review of financial documents affirmed the need to address facilities" which include the Highway Department, Administration Building, Extension Building, Public Safety Building and Juvenile Detention Center. The current bond market means "the cost of borrowing money is historically low. These projects can be addressed through a new bond issue with the exception of JDC renovations which should be paid for with cash." Bond rates are currently at 2-3% while inflationary costs for construction are 3-5% annually.

The County has bonding capacity that will be available in 2021 due to expiring annual debt service of \$2.89 million. The expiring debt service can "fund two bond issues of approximately \$20 million each without increasing taxes." The Commission will continue discussions in the coming months. As the County grows, we desire to provide services effectively while being good stewards of tax dollars. Addressing facilities needs will help provide statutorily required services. As plans are developed, advice from the private sector will continue to inform the Commission's thought process.

Column is 400 words - Headline is 7 words



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