

Research Update:

# Jackson, MN Series 2026A GO Bonds Rated 'A+'; Outlook Stable

May 12, 2026

## Overview

- S&P Global Ratings assigned its 'A+' rating to [Jackson](#), Minnesota's \$2 million series 2026A general obligation (GO) bonds.
- At the same time, S&P Global Ratings affirmed its 'A+' rating on the city's existing GO debt.
- The outlook is stable.

## Rationale

### Security

The bonds are secured by the city's full faith, credit, and unlimited-tax pledge. In addition to tax levies, the city pledges tax abatements and revenues from its water, wastewater, and storm sewer utilities. Jackson will use bond proceeds for its 2026 street and utility reconstruction project.

### Credit highlights

The rating reflects our view of the city's consistently robust reserve position, offset by a growing debt burden and economic weaknesses that include a low population and a concentrated tax base. We expect the city will maintain healthy general fund balances, historically more than 100% of operating revenues, despite recent expenditures on an airport project and the transition to a full-time ambulance service. While these expenditures will affect the general fund in the medium term, we think they will be largely offset by anticipated reimbursements and result in the ambulance fund's return to breakeven operations, no longer requiring general fund support. Overall, we believe robust reserve levels will remain credit supportive as the city layers in additional debt.

For more information on Minnesota Local Governments can be found here, please see "[U.S. Local Governments Credit Brief: Minnesota Counties And Municipalities Means And Medians](#)," Sept. 19, 2025.

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The rating further reflects our view of the following factors:

- The local tax base is concentrated, both in terms of economic activity, which is primarily agriculture-based, and taxpayers, with the top 10 accounting for 28% of the tax base. Jackson also faces regional population declines, although the local population has remained comparatively stable. The city is situated in Jackson County in southwestern Minnesota, approximately 165 miles southwest of Minneapolis and 90 miles east of Sioux Falls, South Dakota.
- The city used reserves in fiscal 2023 but posted a general fund surplus in fiscal 2024, supported by a \$500,000 Federal Emergency Management Agency grant for flood recovery. In fiscal 2025, a \$3 million cash balance supported ongoing projects, including a mostly reimbursed airport development and a transition to a self-sufficient, full-time ambulance service. The city anticipates a balanced budget for fiscal 2026 and increased revenue from expiring tax increment financing districts, signaling continued financial stability.
- The primary strength is the city's robust reserve position, which it has maintained at more than 100% of operating revenues historically, backed by a 50% policy floor.
- Management demonstrates strong budgetary assumptions and monitoring, strong investment and reserve management policies, and practices that help mitigate cyber security risks, but lacks comprehensive long-term planning tools and a debt management policy.
- Jackson has a high direct debt per capita burden and carrying charges anticipated at about 25% or greater in fiscal 2027. We believe this is the chief credit weakness and any further significant deterioration in the debt profile could present downward credit pressure.
- For more information on our institutional framework assessment for Minnesota municipalities, see "[Institutional Framework Assessment: Minnesota Local Governments](#)," Sept. 10, 2024.

### Environmental, social, and governance

We view Jackson's social capital risks as elevated, given persistent regional demographic trends, such as population loss, could create revenue-raising difficulties for the city. We also view environmental risks as elevated, given the city is prone to flooding (which includes \$500k in damage during the last major flood) although this risk is somewhat mitigated by the city's robust reserves. Governance factors are neutral in our analysis.

## Outlook

The stable outlook reflects our expectations that Jackson will maintain robust reserves and balanced operating results as they implement ambulatory services into their general operations over the two-year outlook horizon.

### Downside scenario

We could lower the rating if the city's financial performance were to deteriorate due to an imbalance or one-time spending, resulting in significantly decreasing reserves, or if debt service carrying charges increase to levels that we believe reduce financial flexibility.

### Upside scenario

If the city's economic concentration diversifies, population increases, or debt burden were to improve, we could raise the rating.

**Jackson, Minnesota--credit summary**

Institutional framework (IF)	1
Individual credit profile (ICP)	2.69
Economy	3.5
Financial performance	3
Reserves and liquidity	1
Management	2.70
Debt and liabilities	3.25

**Jackson, Minnesota--key credit metrics**

	Most recent	2025	2024	2023
<b>Economy</b>				
Real GCP per capita % of U.S.	98	--	98	91
County PCPI % of U.S.	87	--	87	88
Market value (\$000s)	307,789	305,777	285,670	277,465
Market value per capita (\$)	92,180	91,577	85,556	82,825
Top 10 taxpayers % of taxable value	27.9	--	--	33.9
County unemployment rate (%)	3.8	3.5	2.9	3.0
Local median household EBI % of U.S.	86	--	86	98
Local per capita EBI % of U.S.	90	--	90	107
Local population	3,339	--	3,339	3,350
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	4,222	4,542	3,489
Operating fund expenditures (\$000s)	--	4,438	4,631	4,024
Net transfers and other adjustments (\$000s)	--	376	450	(448)
Operating result (\$000s)	--	160	361	(983)
Operating result % of revenues	--	3.8	7.9	(28.2)
Operating result three-year average %	--	(5.5)	(10.0)	(4.8)
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	101.8	102.6	123.2
Available reserves (\$000s)	--	4,298	4,658	4,297
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	13.8	12.0	12.4
Net direct debt per capita (\$)	4,871	4,871	4,532	4,875
Net direct debt (\$000s)	16,264	16,264	15,131	16,330
Direct debt 10-year amortization (%)	55	69	20	--
Pension and OPEB cost % of revenues	--	3.0	2.0	2.0
NPLs per capita (\$)	--	210	206	299
Combined NPLs (\$000s)	--	703	688	1,001

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

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### Ratings List

#### New Issue Ratings

US\$2,005,000 City of Jackson, Minnesota, General Obligation Bonds, Series 2026A, dated: June 1, 2026, due: February 1, 2047

Long Term Rating A+/Stable

#### New Rating

##### Local Government

Jackson, MN Unlimited Tax General Obligation with Tax Abatement Revenues and Stormwater and Water System Revenues A+/Stable

#### Ratings Affirmed

##### Local Government

Jackson, MN Unlimited Tax General Obligation A+/Stable

Jackson, MN Unlimited Tax General Obligation and Water and Sewer System A+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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