

https://www.mankatofreepress.com/news/local_news/county-starts-budgeting-process-amid-myriad-uncertainties/article_d16f70a6-ec56-11ea-9f40-8bf528d8e461.html

FEATURED

County starts budgeting process amid myriad uncertainties

By Tim Krohn tkrohn@mankatofreepress.com

Sep 1, 2020



File photo



MANKATO — Blue Earth County is poised to set a preliminary levy increase of 5% for next year, but it's a number that several commissioners say they hope to reduce before the budget is set later in the year.

“There are a lot of moving parts,” Commissioner Colleen Landkamer said of the uncertainty of local property tax collections, state funding cuts and other revenue uncertainty because of the coronavirus pandemic.

The commissioners and County Administrator Bob Meyer had a wide-ranging discussion about potential scenarios during a work session Tuesday, including whether to ease back from the total hiring freeze that is in place and whether the county will be able to continue supporting a variety of community groups and organizations at the same level as in the past.

Meyer said the extent of the financial pain won't be known for some time, but he was certain of one thing: “There are signs down the road that things will be tougher than they are now.”

He presented a budget scenario that showed a potential \$1.8 million shortfall in the county's proposed 2021 budget of about \$108 million. That possible deficit could be dealt with in a variety of ways, including using reserves.

But he said decisions made by the Legislature and governor when they begin their budget-cutting process will weigh heavily on what the county faces next year and into 2022.

“We know the state budget deficit is significant. When that will show up on the local level is unknown.” Meyer said reductions in state aid to local governments could start hitting as early as the first half of 2021 or in the last half.

Landkamer noted the state Human Services Department already announced it will be slashing spending to start shoring up its shortfall. Human Services is one of the



Bob Meyer

largest pieces of what counties do. Meyer said that so far the state Human Service cuts seem to be aimed at state level services not locally operated programs.

The board also discussed whether to keep in place a hard hiring freeze that was implemented at the start of the pandemic.

“This calendar year hasn’t been quite as bad as I thought back in March and April when we implemented that hiring freeze,” Meyer said. “I’m hearing from some of our departments that are really struggling with handling workloads.”

There are 10 open positions in the county, which has so far saved about \$270,000. The county has saved another \$135,000 through furloughs.

Several commissioners said they were comfortable loosening the hiring freeze to fill positions identified as most needed. Meyer said he would meet with department heads to prioritize hiring for some of the positions.

The board also talked about the roughly \$300,000 the county contributes to a variety of community organizations, from FarmAmerica in rural Waseca and Greater Mankato Growth to the Humane Society and Historical Society. Several said they didn’t necessarily want to pull support completely from any group but said they would be willing to look at keeping the total spending even but reshuffling the amount of support.

In particular, commissioners said they’d like to find a way to get more money to Partners for Affordable Housing to help them in combating homelessness. The county currently gives the group \$15,000.

Meyer said he will present a resolution to the board later this month to approve a preliminary 2021 levy increase of 5%. Local governments are required to set a preliminary levy by the end of September. They can then lower but not increase it before setting a final budget at the end of the year.

Meyer said that a 5% levy increase would increase property taxes \$52 on a home valued at \$212,000, which is the average value of homes in the county.

He said farmland values are expected to fall 6-7% next year, which will shift more of the property tax load to homes and commercial properties.

Beyond concerns of lower tax collections and state aid, the county, along with other local governments, have seen higher costs for things such as technology and personal protection equipment because of the pandemic.

Michael Stalberger, who oversees elections, told commissioners his budget will be stretched this year because of added COVID costs, particularly a sharp increase in people voting by mail.

There is \$520,000 budgeted for elections and the department has spent about \$260,000 so far. Stalberger said he expects they will spend about \$250,000 more by the time the November election is over.

The county already has received more requests for absentee mail ballots than they did in all of 2016 and 2018, and Stalberger said they expect many more voters will seek mail ballots in the coming weeks. The cost of mailing and added time needed to process those ballots has added significant costs this year, he said.

TRENDING VIDEO

2-Hour Turkey
