

Iron County Supervisor Report August 2023

Six months ago I was appointed County Supervisor. This initial report will focus on some general observations and what I have learned about County finances.

General Observations:

- The County does not post agendas or meeting minutes from the Board or committees on its website. The County should make this basic information more readily available to the public.
- As a County Board, we do not receive nor do we discuss financial statements on a monthly basis. This has been one of my biggest surprises. I think the Board misses an important opportunity to generate some basic common understanding and dialogue of County finances as a group.
- The sale of carbon credits will be *the* upcoming hot topic and could potentially generate significant dollars for the County. My hope is the Board will form a small committee to identify priorities the entire Board can then review and discuss. My own thoughts are that initial dollars from the carbon credit sale need to: 1) plug the 2023 budget gap (\$1.5 million) 2) we appear to have a structural budget issue so there will likely be a 2024 budget gap (about \$1.5 million); 3) repay the Saxon Harbor Loan not reimbursable from FEMA (\$2 million) thus stopping the loan interest charges and removing this looming levy increase from the books; and 4) find a balance between managing the levy, providing some assistance to the Town's for road improvements, employee pay and retention, capital projects and an appropriate long term balance sheet structure.
- At times, to whom some department head report to seems murky.
- Everyone I have met - Board members, employees, department heads – has been cordial and allowed me to participate in thoughtful discussions on the challenges and issues.

Iron County Finances:

- Schedule A
 - There are four distinct funds maintained at the County level – General, Highway, Human Services and Debt Service. The total 2023 budget was \$19.9 million of which \$5.7 million was funded from the tax levy.
 - About \$2.6 million is revenue due from FEMA related to the 2017 Saxon Harbor flood. There is a related expense in the budget of \$2.6 million which is earmarked to pay down a portion of the \$4.6 million outstanding Saxon Harbor loan. Since this is a one time in and out, I look at it as a \$17.3 million County budget.
 - \$5.7 million (about 33%) of the budget is funded from the levy. The remaining two-thirds of the budget are funded from a variety of State Aids, State transfer payments or grant type programs.
 - There was a \$1.5 million 'plug' from carbon credits to balance the 2023 budget. The majority of these dollars probably won't be received until 2024.
 - The bottom portion of Schedule A breaks down the budget by major category.
- Schedule B provides more detail on the four funds. I will leave this schedule for you to ponder. If you have specific questions, send me an email: shermanchair@outlook.com. I would be happy to have a conversation with you in more detail.



Kurt Wolff

Iron County Supervisor, District 15

Iron County
2023 Budget Summary - Schedule A
August 2023

	General Fund	Human Services	Debt Service	Highway	Total
County Tax Levy	1,346,983	2,188,003	1,173,809	987,000	5,695,795
Other Revenues	11,231,482	1,572,695	-	1,417,406	14,221,583
Total Revenues	12,578,465	3,760,698	1,173,809	2,404,406	19,917,378
Expenditures	(12,578,465)	(3,760,698)	(1,173,809)	(2,404,406)	(19,917,378)
Net Cash Flow	-	-	-	-	-

Iron County has four separate and distinct funds noted above
The total county tax levy for 2022 collected in 2023 is \$5,695,795

Allocation of Budget	Dollars	Percent
General Government	2,845,473	0.164
Public Safety	2,819,671	0.163
Health	986,166	0.057
Public Works (1)	243,391	0.014
Culture, Rec, Education	805,653	0.047
Conservation/Development	2,278,111	0.132
Human Services	3,760,698	0.216
Highway	2,404,406	0.139
Debt Service	1,173,809	0.068
	17,317,378	1.000

(1) Public Works is net of the \$2.6 million FEMA payment earmarked for debt paydown.

Iron County
2023 Budget Breakdown - Schedule B
August 2023

General Fund

Revenues

<u>Taxes</u>		
County Tax Levy	1,346,983	
County Sales Tax	600,000	
Interest on Taxes	120,000	
PILOT	175,000	
Other	51,150	
	<u>2,293,133</u>	2,293,133
<u>Intergovernmental Revenues</u>		
Forest Roads and Trails	447,200	
Conservation -DATCP	242,992	
Share Revenue	124,725	
Recycling	120,491	
Other	837,925	
	<u>1,773,333</u>	1,773,333
Licenses and Permits		100,000
Fines, Forfeits, & Penalties		43,200
<u>Public Charges</u>		
Saxson Harbor (FEMA)	2,600,000	
Carbon Credit	1,500,000	
County Forest (Stumpage)	2,000,000	
Saxson Harbor	225,000	
County Parks	115,000	
Other	342,900	
	<u>6,782,900</u>	6,782,900
<u>Miscellaneous Revenues</u>		
Land Conservations Grants	391,867	
Other	213,546	
	<u>605,413</u>	605,413
<u>Financing Sources</u>		
LT Debt Proceeds	832,313	
Applied Funds	148,173	
	<u>980,486</u>	980,486
Total Revenues		12,578,465

General Fund

Expenditures

<u>General Government</u>		
Clerk	191,097	
Treasurer	201,727	
IT	342,103	
Courthouse	453,353	
Circuit Court	373,495	
Employee Benefits	305,900	
DA/Witness Protection	176,099	
Audit/Legal	110,000	
Register of Deeds	210,950	
Wisconsin Land Fees	223,252	
Communications	141,875	
Other	115,622	
	<u>2,845,473</u>	2,845,473
<u>Public Safety</u>		
Sheriff	2,636,789	
Emergency Government	182,882	
	<u>2,819,671</u>	2,819,671
<u>Health</u>		
		986,166
<u>Public Works</u>		
Saxson Harbor Storm Damage	2,600,000	
Saxson Harbor	164,000	
Gogebic IC Airport	65,614	
County Bridge Aid	13,777	
	<u>2,843,391</u>	2,843,391
<u>Culture, Recreation & Education</u>		
Snowmobile/ATV Trails	430,012	
UW Extension	220,124	
County Parks/Fair/4H	155,517	
	<u>805,653</u>	805,653
<u>Conservation/Development</u>		
Forestry	1,060,980	
Land & Water Conservation	737,537	
Zoning	213,995	
Development/Economic	125,970	
Recycling	120,491	
Other	19,138	
	<u>2,278,111</u>	2,278,111
		12,578,465

Human Services

Revenues

County Levy	2,188,003
State Aid	1,353,695
Public Charges	180,000
Other	39,000
	<u>3,760,698</u>

Expenditures

Wages	1,100,604
Employee Benefits	505,172
Northland Counseling	334,700
Adult/Child Placement	600,000
Highline	168,200
Contracted Services	225,598
Other Human Services	217,041
Hurley Senior Center	292,481
Food/Meal Delivery	211,490
Other Aging	105,412
	<u>3,760,698</u>

Highway

Revenues

County Levy	987,000
State Aid - GTA	304,406
Other State Aid	1,108,000
Miscellaneous	5,000
	<u>2,404,406</u>

Expenditures

Equipment	400,000
CTH Maint/Const	597,406
State Routine Maint	350,000
State Snow & Ice	668,000
Other	389,000
	<u>2,404,406</u>

Debt Service

Revenues

County Levy	1,173,809
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Expenditures

Human Services Placement	864,357
Highway Garage	215,247
Saxson Harbor	94,205
	<u>1,173,809</u>