



JASON E. MUMPOWER
Comptroller

June 6, 2023

Honorable Mr. Steven Babcock, Mayor
and Honorable Board of Aldermen
Town of Carthage
P.O. Box 259
Carthage, TN 37030

Dear Mayor Babcock and Board of Aldermen:

This letter acknowledges receipt of a certified copy of the fiscal year 2024 budget.

We have reviewed the budget and have determined that projected revenues and other available funds are sufficient to meet anticipated expenditures. Our review of the budget is based solely on the information we have received. With regard to programs included in the budget such as education, roads, and corrections, we have not attempted to determine that the local government has complied with specific program statutes or guidelines, or with any financing requirements prescribed by any state or federal agency.

Please note local officials are required to ensure the budget remains balanced throughout the fiscal year and that all maintenance of effort requirements are met – our office has not reviewed or approved any maintenance of effort programs in this budget. Budget amendments must be sent to our office for formal acknowledgement after they are approved by the local governing body (submit to: LGF@cot.tn.gov).

Approval

This letter constitutes approval, by this office, for the Town's fiscal year 2024 budget as adopted by the Town's governing body.

If you should have questions or need assistance, please refer to our online resources or feel free to contact your financial analyst, Charlie Lester, at 615.401.7762 or Charlie.Lester@cot.tn.gov.

Sincerely,



Steve Osborne, Assistant Director
Division of Local Government Finance



Charlie Lester, Financial Analyst
Division of Local Government Finance

cc:

Mr. Scott Ezell, Chief Financial Officer, Town of Carthage

SO: cl

Town of Carthage



Stephen Babcock
Mayor

Carthage, Tennessee 37030

P.O. Box 259
314 Spring Street
(615) 735-1881

May 9, 2023

TN Comptroller of the Treasury
Division of Local Government Finance
Cordell Hull Building
425 Rep John Lewis Way N
Nashville, TN 37243
LGF@cot.tn.gov

Please find enclosed our **Fiscal Year 2024 Annual Budget Ordinance B-20230406-1** with supporting documents. The following items should be noted as you analyze our submission:

- 1) **General Fund:** We have been fortunate to have budget surpluses during the last few years due to several circumstances. Conditions are now favorable for us to begin several needed infrastructure projects which are reflected in our FY 2023/2024 budget ordinance.
- 2) **Street Aid Fund:** We plan to use previously unused Street Aid Fund monies with our paving infrastructure plans.
- 3) **Water and Sewer Fund:** We have formulated plans to continue improvements to our water and sewer line infrastructure using a combination of revenue sources including existing surpluses, State Revolving Fund loan(s), and ARPA Non-competitive grant monies which have been awarded. Additionally, we have implemented a rate increase as our last rate increase occurred in 2016.

Please contact Mayor Stephen Babcock or Scott Ezell, CPA, our CFO, at the phone number below if you have questions concerning our budget submission.

Respectfully,

A handwritten signature in black ink, appearing to read "Stephen Babcock".

Stephen Babcock
Mayor

P: 615.735.1881 ext. 213
mayorbabcock@TownofCarthageTN.gov
CFO@TownofCarthageTN.gov

ORDINANCE No. B-20230406-2

**AN ORDINANCE OF THE
TOWN OF CARTHAGE, TENNESSEE
ADOPTING THE ANNUAL BUDGET AND TAX RATE
FOR THE FISCAL YEAR BEGINNING JULY 1, 2023, AND ENDING JUNE 30, 2024**

WHEREAS, Tennessee Code Annotated § 9-1-116 requires that all funds of the State of Tennessee and all its political subdivisions shall first be appropriated before being expended and that only funds that are available shall be appropriated; and

WHEREAS, the Municipal Budget Law of 1982 requires that the governing body of each municipality adopt and operate under an annual budget ordinance presenting a financial plan with at least the information required by that state statute, that no municipality may expend any moneys regardless of the source except in accordance with a budget ordinance and that the governing body shall not make any appropriation in excess of estimated available funds; and

WHEREAS, the Governing Body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to meeting where the Board will consider final passage of the budget.

NOW THEREFORE BE IT ORDAINED BY THE GOVERNING BODY OF THE TOWN OF CARTHAGE, TENNESSEE AS FOLLOWS:

SECTION 1: That the governing body projects anticipated revenues from all sources and appropriates planned expenditures for each department, board, office or other agency of the municipality, herein presented together with the actual annual receipts and expenditures of the last preceding fiscal year and the estimated annual expenditures for the current fiscal year, and from those revenues and unexpended and unencumbered funds as follows for fiscal year 2024, and including the projected ending balances for the budget year, the actual ending balances for the most recent ended fiscal year and the estimated ending balances for the current fiscal years:

GENERAL FUND	Actual FY 2022	Estimated FY 2023	Budget FY 2024
Revenues			
Local Taxes	\$ 2,508,208	\$ 2,519,664	\$ 2,552,870
Licenses and Permits	18,443	20,458	11,500
Intergovernmental	601,583	1,022,877	752,680
Charges For Services	1,296	326	750
Fines and Forfeitures	7,497	8,529	8,500
Parks and Recreation	44,149	44,149	27,900
Miscellaneous Other Revenue	53,302	110,297	58,250
Other Financing Sources			
Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 3,234,478	\$ 3,726,300	\$ 3,412,450
Appropriations			
Expenditures			
General Government	\$ 393,814	\$ 401,675	\$ 511,485
City Court	5,192	4,624	5,188
Mayor	86,264	96,318	86,906
Public Works: Buildings, Streets, Park, Cemetery, Animal Control	969,662	717,116	3,420,277
Non-profit 501(c)(3) & Civic 501(c)(4) & 501(c)(6) Support	34,260	34,260	30,000
Police Department	899,207	891,729	1,262,487
Fire Department	458,100	470,449	774,161
Other Financing Uses			
Transfers Out-ARPA Grants to Water & Sewer Fund	-	590,579	-
Total Appropriations	\$ 2,846,499	\$ 3,206,750	\$ 6,090,504
Change in Fund Balance (Revenues - Appropriations)	387,979	519,550	(2,678,054)
Beginning Fund Balance July 1	5,105,990	5,493,969	6,013,519
Ending Fund Balance June 30	\$ 5,493,969	\$ 6,013,519	\$ 3,335,465
Ending Fund Balance as a % of Total Appropriations	193.0%	187.5%	54.8%

STATE STREET AID FUND	Actual FY 2022	Estimated FY 2023	Budget FY 2024
Revenues			
State Gas and Motor Fuel Taxes	\$ 87,338	\$ 89,892	\$ 91,140
Miscellaneous Other Revenue	160	4,280	200
Other Financing Sources			
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 87,498	\$ 94,172	\$ 91,340
Appropriations			
Public Works Department-Streets	\$ 10,040	\$ 326,497	\$ 196,303
Transfers Out - to other funds	-	-	-
Total Appropriations	\$ 10,040	\$ 326,497	\$ 196,303
Change in Fund Balance (Revenues - Appropriations)	77,458	(232,325)	(104,963)
Beginning Fund Balance July 1	294,929	372,387	140,062
Ending Fund Balance June 30	\$ 372,387	\$ 140,062	\$ 35,099
Ending Fund Balance as a % of Total Appropriations	3709.0%	42.9%	17.9%

SANITATION FUND	Actual FY 2022	Estimated FY 2023	Budget FY 2024
Revenues			
Solid Waste Fees	\$ 168,027	\$ 167,782	\$ 170,000
Miscellaneous Other Revenue	-	29	30
Other Financing Sources			
Debt Proceeds	-	-	-
Transfers In - from other funds	-	-	-
Total Revenues and Other Financing Sources	\$ 168,027	\$ 167,811	\$ 170,030
Appropriations			
Solid Waste Department	\$ 179,768	\$ 168,030	\$ 178,500
Debt Service	-	-	-
Transfers Out - to other funds	-	-	-
Total Appropriations	\$ 179,768	\$ 168,030	\$ 178,500
Change in Fund Balance (Revenues - Appropriations)	(11,741)	(219)	(8,470)
Beginning Fund Balance July 1	71,802	60,061	59,842
Ending Fund Balance June 30	\$ 60,061	\$ 59,842	\$ 51,372
Ending Fund Balance as a % of Total Appropriations	33.4%	35.6%	28.8%

DRUG PROCEEDS FUND	Actual FY 2022	Estimated FY 2023	Budget FY 2024
Revenues			
Fines and Forfeitures	\$ 4,341	\$ 739	\$ 2,100
Miscellaneous Other Revenue	2	11	15
Total Revenues	\$ 4,343	\$ 750	\$ 2,115
Appropriations			
Drug Enforcement	\$ 2,116	\$ 7,211	\$ 10,100
Debt Service	-	-	-
Total Appropriations	\$ 2,116	\$ 7,211	\$ 10,100
Change in Fund Balance (Revenues - Appropriations)	2,227	(6,461)	(7,985)
Beginning Fund Balance July 1	15,632	17,859	11,398
Ending Fund Balance June 30	\$ 17,859	\$ 11,398	\$ 3,413
Ending Fund Balance as a % of Total Appropriations	844.0%	158.1%	33.8%

WATER & SEWER FUND	Actual FY 2022	Estimated FY 2023	Budget FY 2024
Operating Revenues			
Metered Water Sales	\$ 897,438	\$ 778,913	\$ 1,068,994
Metered Sewer Sales	504,752	573,243	728,345
Tap Fees & Meter Maintenance	69,100	33,901	55,461
Miscellaneous Other Fees	17,549	16,178	14,315
Miscellaneous Other Revenue	18,690	21,090	22,880
Total Operating Revenues	\$ 1,507,529	\$ 1,423,325	\$ 1,889,995
Operating Expenses			
Water & Sewer Department	\$ 989,081	\$ 1,201,567	\$ 1,379,569
Depreciation	209,102	249,030	434,067
Total Operating Expenses	\$ 1,198,183	\$ 1,450,597	\$ 1,813,636
Operating Income (Loss)	\$ 309,346	\$ (27,272)	\$ 76,359
Non-Operating Revenues (Expenses)			
Revenue: Interest Income	\$ 1,605	\$ 31,768	\$ 15,000
Grants - Operating	-	-	-
Other Income-Pension Accrual	79,274	-	-
Other Income-Surplus, Forgiveness	-	105,632	-
Expense: Debt Service - Interest Expense	(21,766)	(21,741)	(36,750)
Other Expense	-	-	-
Total Non-Operating Revenue (Expenses)	\$ 59,113	\$ 115,659	\$ (21,750)
Income (Loss) Before Capital Contributions and Transfers	\$ 368,459	\$ 88,387	\$ 54,609
Capital Contributions and Transfers			
Capital Contributions - Grants	\$ 14,416	\$ 611,037	\$ 2,715,538
Capital Contributions - Town of South Carthage	-	29,138	315,000
Transfers In - From Other Funds	-	-	-
Transfers Out - To Other Funds (PILOT)	-	-	-
Total Capital Contributions and Transfers	\$ 14,416	\$ 640,175	\$ 3,030,538
Change in Net Position	\$ 382,875	\$ 728,562	\$ 3,085,147
Beginning Net Position July 1	5,978,542	6,361,417	7,089,979
Ending Net Position June 30	\$ 6,361,417	\$ 7,089,979	\$ 10,175,126

SECTION 2: At the end of the fiscal year 2023, the governing body estimates fund balances or deficits as follows:

Fund	Estimated Fund Balance/ Net Position at June 30, 2023
General	\$ 6,013,519
State Street Aid Fund	140,062
Sanitation Fund	59,842
Drug Fund	11,398
Water & Sewer Fund	7,089,979

SECTION 3: That the governing body herein certifies that the condition of its sinking funds, if applicable, are compliant pursuant to its bond covenants, and recognizes that the municipality has outstanding bonded and other indebtedness as follows:

Bonded or Other Indebtedness for Water and Sewer Fund	Debt Authorized and Unissued	Principal Outstanding at June 30, 2022	FY 2023 Principal Payment	FY 2023 Interest Payment
State Revolving Fund-DG3-16-169	\$ -	\$ 214,580	\$ 12,744	\$ 3,012
State Revolving Fund-DW4-2016-170	\$ -	\$ 953,351	\$ 54,000	\$ 13,380
State Revolving Fund-CW3-14-344	\$ -	\$ 423,107	\$ 28,812	\$ 3,408
State Revolving Fund-DWF-2018-199	\$ -	\$ 53,984	\$ 3,024	\$ 648
State Revolving Fund-DW7-21-223	\$ -	\$ 108,000	\$ 4,956	\$ 909
State Revolving Fund-CW7-2020-445	\$ -	\$ 75,210	\$ 8,250	\$ 384

SECTION 4: During the coming fiscal year (2024) the governing body has pending and planned capital projects with proposed funding as follows:

General Fund Pending and Planned Capital Projects	Total Expense	Financed by Estimated Revenues and/or Reserves	Financed by Grants	Financed by Debt Proceeds
Finance and Administration				
Computers and Office Equipment Upgrades	\$ 12,500	\$ 12,500	\$ -	\$ -
Total	\$ 12,500	\$ 12,500	\$ -	\$ -
Police Department				
Fully Equipped Patrol Cars (3)	\$ 154,000	\$ 103,000	\$ 51,000	\$ -
Ballistic Shields (8)	\$ 4,000	\$ -	\$ 6,000	\$ -
Office Equipment	\$ 3,000	\$ 4,000	\$ -	\$ -
Police Computer & Network Equipment	\$ 6,000	\$ 3,000	\$ -	\$ -
Equipment Drug Enforcement	\$ 13,000	\$ 13,000	\$ -	\$ -
Total	\$ 180,000	\$ 123,000	\$ 57,000	\$ -
Fire Department				
Fire Engine-Community Block Development Grant	\$ 296,336	\$ 60,000	\$ 236,336	\$ -
Fire Station Improvements	\$ 5,000	\$ 5,000	\$ -	\$ -
Fire Hose	\$ 11,500	\$ 11,500	\$ -	\$ -
Self-Contained Breathing Apparatus	\$ 114,000	\$ 114,000	\$ -	\$ -
Breathing Air Compressor/Fill Station	\$ 52,000	\$ 52,000	\$ -	\$ -
Extrication Equipment	\$ 49,000	\$ 49,000	\$ -	\$ -
Total	\$ 527,836	\$ 291,500	\$ 236,336	\$ -
Public Works Department				
Town Hall Building	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -
New Sidewalks	\$ 20,000	\$ 20,000	\$ -	\$ -
Street Repairs	\$ 75,000	\$ 75,000	\$ -	\$ -
Main Street Paving	\$ 323,700	\$ 323,700	\$ -	\$ -
Smotherman Avenue Paving	\$ 106,240	\$ 106,240	\$ -	\$ -
Carmack Street Paving	\$ 247,091	\$ 247,091	\$ -	\$ -
Hillcrest Street Paving	\$ 166,000	\$ 166,000	\$ -	\$ -
Hull Avenue Paving	\$ 145,831	\$ 145,831	\$ -	\$ -
Drainage Repairs	\$ 15,000	\$ 15,000	\$ -	\$ -
Leaf Vacuum and Trailer	\$ 105,000	\$ 105,000	\$ -	\$ -
Pole Building/Remodel	\$ 225,000	\$ 225,000	\$ -	\$ -
Park Improvements	\$ 30,000	\$ 30,000	\$ -	\$ -
Total	\$ 2,958,862	\$ 2,958,862	\$ -	\$ -
Total General and Special	\$ 3,679,198	\$ 3,385,862	\$ 293,336	\$ -

Water and Sewer Fund Pending and Planned Capital Projects	Total Expense	Financed by Estimated Revenues and/or Reserves	Financed by Grants	Financed by Debt Proceeds
Water Plant				
Pump Stations and Equipment	\$ 50,000	\$ 50,000	\$ -	\$ -
Service Vehicle Shelter	\$ 5,000	\$ 5,000	\$ -	\$ -
Activated Carbon Mixer and Feed System	\$ 5,000	\$ 5,000	\$ -	\$ -
Total	\$ 60,000	\$ 60,000	\$ -	\$ -
Sewer Plant				
Cumberland River Bank Erosion (US Army Corps of Engineers)	\$ 3,000,000	\$ 1,050,000	\$ 1,950,000	\$ -
Total	\$ 3,000,000	\$ 1,050,000	\$ 1,950,000	\$ -
Water and Sewer Line Maintenance				
Drainage, Valves, & Fire Hydrants	\$ 50,000	\$ 50,000	\$ -	\$ -
Smotherman Avenue Water Line	\$ 227,945	\$ -	\$ 227,945	\$ -
Smotherman Avenue Sewer Line	\$ 224,000	\$ -	\$ 224,000	\$ -
Carmack Street Water Line	\$ 595,400	\$ -	\$ -	\$ 595,400
Carmack Street Sewer Line	\$ 520,975	\$ -	\$ -	\$ 520,975
Hilcrest Water Line	\$ 400,000	\$ 129,407	\$ 270,593	\$ -
Hilcrest Sewer Line	\$ 350,000	\$ 350,000	\$ -	\$ -
Inflow and Infiltration Project (Completion)	\$ 223,755	\$ 111,877	\$ -	\$ 111,878
TDEC Asset Management Plan	\$ 43,000	\$ -	\$ 43,000	\$ -
Lean-To on New Building	\$ 25,000	\$ 25,000	\$ -	\$ -
Total	\$ 2,660,075	\$ 666,284	\$ 765,538	\$ 1,228,253
Total Water & Sewer Fund	\$ 5,720,075	\$ 1,776,284	\$ 2,715,538	\$ 1,228,253

SECTION 5: No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by the Municipal Budget Law of 1982 (TCA § 6-56-208). In addition, no appropriation may be made in excess of available fund except to provide for an actual emergency threatening the health, property, or lives of the inhabitants of the municipality and declared by a two-thirds (2/3) vote of at least a quorum of the governing body in accord with Tennessee Code Annotated § 6-56-205.

SECTION 6: Money may be transferred from one appropriation to another in the same fund in an amount of up to \$10,000 by the Mayor, subject to such limitations and procedures as set by the governing body pursuant to Tennessee Code Annotated § 6-56-209. Any resulting transfers shall be reported to the governing body at its next regular meeting and entered into the minutes.

SECTION 7: A detailed financial plan will be attached to this budget and become part of this budget ordinance. In addition, the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full-time equivalent employees required by Tennessee Code Annotated §6-56-206 will be attached.

SECTION 8: There is hereby levied a property tax of \$0.8168 per \$100 of assessed value on all real and personal property.

SECTION 9: This annual operating and capital budget ordinance and supporting documents shall be submitted to the Comptroller of the Treasury or Comptroller's Designee for approval if the City has debt issued pursuant to Title 9, Chapter 21 of the Tennessee Code Annotated within fifteen (15) days of its adoption. This budget shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller's Designee in accordance with Title 9, Chapter 21 of the Tennessee Code Annotated (the "Statutes".) If the Comptroller of the Treasury or Comptroller's Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes or as directed by the Comptroller of the Treasury or Comptroller's Designee. If the City does not have such debt outstanding, it will file this annual operating and capital budget ordinance and supporting documents with the Comptroller of the Treasury or Comptroller's Designee.


SECTION 10: All unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse and revert to the respective fund balances.

SECTION 11: All ordinances or parts of ordinances in conflict with any provision of this ordinance are hereby repealed.

SECTION 12: This ordinance shall take effect July 1, 2023, the public welfare requiring it.

Passed 1st Reading: *April 6, 2023*

Passed 2nd Reading: *May 4, 2023*


Stephen Babcock
Mayor

ATTESTED:


Danielle Bane
City Recorder

Seal of Town of Carthage, Tennessee:

