

FILED  
FEB 11 2016  
CITY CLERK

February 8, 2016

City Council Members  
Terre Haute, Indiana

Re: Pooled Cash Recovery Options

Fellow Council Members:

As we continue our quest to set goals to replenish our City's pooled cash balances, I thought I should provide the attached spreadsheet to illustrate various options that are possible. I believe the total amount that Council and City Administration will agree on will be in the wide range of \$10,000,000 to \$22,500,000 that is illustrated. I recommend three to five years as a recovery period and right now I would prefer four years.

The challenge will come in determining the split between revenue increases and expenditure cuts. We have heard the Mayor repeatedly state he will not support cuts in public safety. Can we find reductions in \$ expended for public safety without decreasing manpower? As Council members, do we all thoroughly understand all the issues that cause the public safety budgets to be what they are? I know I don't. Perhaps Council should retain a public safety consultant and have a study performed. Perhaps as an inexpensive start, there is a prior study that we can have located and distributed so we can read it.

Attached you will find some 2014 U.S. Census data that reports the median income of Terre Haute households is \$33,317. That means half of the households in our City have annual incomes less than \$33,317. Is it any wonder we hear push back concerning sewage rate increases and trash fees?

We often hear our sewer rates are less than state averages. Well, they probably need to be if the median income of our residents is less than the median income of Indiana residents. Enclosed you will find 2014 U.S. Census data that reports the median income of Indiana households to be \$48,737. Terre Haute's \$33,317 is 68.4% of Indiana's \$48,737.

Please weigh in with your comments and questions as we address our City's financial challenges. Our actions are critical to our City's future.

Very truly yours,



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O. Earl Elliott, City Council District 2

Attachments

**City of Terre Haute  
2016  
Pooled Cash Recovery Options**

A. Pooled Cash Shortfall	÷	B. Recovery Period	=	C. \$ Recovery Per Year	=	D.		+	E.	
						\$ \$	Description		\$ \$	Description
\$ 10,000,000		3		\$ 3,333,333						
10,000,000		4		2,500,000						
10,000,000		5		2,000,000						
\$ 12,500,000		3		\$ 4,166,667						
12,500,000		4		3,125,000						
12,500,000		5		2,500,000						
\$ 15,000,000		3		\$ 5,000,000						
15,000,000		4		3,750,000						
15,000,000		5		3,000,000						
\$ 17,500,000		3		\$ 5,833,333						
17,500,000		4		4,375,000						
17,500,000		5		3,500,000						
\$ 20,000,000		3		\$ 6,666,667						
20,000,000		4		5,000,000						
20,000,000		5		4,000,000						
\$ 22,500,000		3		\$ 7,500,000						
22,500,000		4		5,625,000						
22,500,000		5		4,500,000						

- Process:
1. Agree on goal amount A.
  2. Agree on goal term B.
  3. Calculate goal amount C.
  4. Agree on goal amounts D and E.

S1901

**INCOME IN THE PAST 12 MONTHS (IN 2014 INFLATION-ADJUSTED DOLLARS)**

**2010-2014 American Community Survey 5-Year Estimates**

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Versions of this table are available for the following years:  
 2014  
 2013  
 2012  
 2011  
 2010  
 2009

1 - 16 of 16	Indiana						
	Subject	Households		Families		Married-couple families	
		Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
	Total	2,492,183	+/-6,801	1,656,156	+/-6,490	1,233,324	+/-7,780
	Less than \$10,000	7.3%	+/-0.1	4.9%	+/-0.1	1.6%	+/-0.1
	\$10,000 to \$14,999	5.4%	+/-0.1	3.0%	+/-0.1	1.3%	+/-0.1
	\$15,000 to \$24,999	11.6%	+/-0.1	7.9%	+/-0.1	4.8%	+/-0.1
	\$25,000 to \$34,999	11.5%	+/-0.1	9.7%	+/-0.2	7.7%	+/-0.2
	\$35,000 to \$49,999	16.3%	+/-0.2	14.8%	+/-0.2	13.9%	+/-0.2
	\$50,000 to \$74,999	19.4%	+/-0.2	21.7%	+/-0.2	23.5%	+/-0.2
	\$75,000 to \$99,999	12.5%	+/-0.1	15.5%	+/-0.2	18.5%	+/-0.2
	\$100,000 to \$149,999	11.2%	+/-0.1	14.8%	+/-0.2	18.5%	+/-0.2
	\$150,000 to \$199,999	3.2%	+/-0.1	4.3%	+/-0.1	5.5%	+/-0.1
	\$200,000 or more	2.7%	+/-0.1	3.6%	+/-0.1	4.6%	+/-0.1
	Median income (dollars)	48,737	+/-254	60,440	+/-310	71,627	+/-370
	Mean income (dollars)	63,736	+/-294	75,012	+/-412	87,087	+/-460
	<b>PERCENT IMPUTED</b>						
	Household income in the past 12 months	26.8%	(X)	(X)	(X)	(X)	(X)
	Family income in the past 12 months	(X)	(X)	26.7%	(X)	(X)	(X)
		(X)	(X)	(X)	(X)	(X)	(X)

Subject	Indiana					
	Households		Families		Married-couple families	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Nonfamily income in the past 12 months						

Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates

**Explanation of Symbols:**

An '\*\*\*' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.

An 'L' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.

An 'L' following a median estimate means the median falls in the lowest interval of an open-ended distribution.

An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.

An '\*\*\*\*' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

An '\*\*\*\*\*' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.

An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.

An '(X)' means that the estimate is not applicable or not available.

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

While the 2010-2014 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

