



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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Legislative File No: 2019-0574

**TO:** Mayor and City Council Members  
**FROM:** Joe Snyder, Chief Financial Officer, x 2534  
**DATE:** December 9, 2019  
**SUBJECT:** FY 2019 – RARA 4<sup>th</sup> Quarter Budget Amendment

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**REQUEST:**

We are requesting that City Council approve the Rochester Avon Recreation Authority's (RARA) proposed 4<sup>th</sup> Quarter Budget Amendments to the 2019 Budget.

**BACKGROUND:**

The Rochester Avon Recreation Authority (RARA) in coordination with the City of Rochester Hills Finance Division has prepared the following 4<sup>th</sup> Quarter Budget Amendments to the current FY 2019 RARA Budget.

The FY 2019 RARA 4<sup>th</sup> Quarter Budget Amendments propose an increase in total revenues of +\$18,703 and an increase in total expenses of +\$970. The proposed increase in revenues less the increase in expenses will have a net impact on RARA Fund Balance of +\$17,733.

It is anticipated for RARA's Fund Balance to increase by +\$167,453 in FY 2019. This amount will increase RARA's Fund Balance to approx. \$375,000 by 12/31/2019, which represents approx. 15% of RARA annual operating expenditures.

Per RARA's Fund Balance Policy, if RARA's Fund Balance level drop below 20% of annual operating expenditures, a financial plan will be developed to restore fund balance levels to the minimum funding level within 3-years. FY 2019 represents year #2 of #3 of the fund balance restoration process, and it still anticipated (and likely) for RARA to achieve its fund balance minimum target by the end of FY 2020 as planned.

The requested amendment amounts are detailed in the attached Line-Item Detail Summary Report.

**RECOMMENDATION:**

We are requesting that City Council approve the Rochester Avon Recreation Authority's (RARA) proposed 4<sup>th</sup> Quarter Budget Amendments to the 2019 Budget.

**RESOLUTION:**

Attached

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APPROVALS:	SIGNATURE	DATE
Department Review		
Chief Financial Officer		
Mayor		
Deputy Clerk		