

To: Mayor Pat Somerville,
And Rochester Hills City Council
From: John Anderson, Executive Director, RARA
Date: January 10, 2006
Re: Request for placing RARA millage renewal on May 2006 ballot.

The Rochester Hills voters approved the operating millage for the Rochester Avon Recreation Authority in September of 1995 for a ten-year period. The last millage of that vote was levied in December of 2005.

This millage will provide funding for operation of RARA through the end of FY2006.

A proposal for renewal of 0.1958 was defeated in September 2005.

The RARA Board requests that Rochester Hills City Council authorize a single ballot question for the ten-year renewal of the millage for the May 2006 election. The elections of one Rochester School Board member seat and two Avondale School Board member seats are already on the ballot.

This renewal would authorize collection of 0.1576 in December 2006 and an additional millage of 0.0374 for the same period, for a total RARA millage rate of 0.1950. The increase will raise \$130,000 in Rochester Hills, and will help keep program fees affordable.

The combined municipal contributions of Rochester Hills and the City of Rochester are currently less than one third of RARA's annual budget. User fees make up more than 2/3 of the remaining revenues.

RARA has used program fee increases to stabilize rising overhead costs, but we do not believe that the program fees by themselves can continue to sustain this subsidization over the next ten years.

Programs will be planned during the summer for fall programs that also span the next year. Fee structures need to be adjusted radically if the renewal is defeated. RARA's participants need to know RARA's pricing structures

The lease on the RARA facility in downtown Rochester expires in July 2006. It would be beneficial to know our fate before entering into any future lease.

