

COUNCIL COMMUNICATION

	Number:	20-212	Meeting:	May 18, 2020
	Agenda Item:	19	Roll Call:	20-0823
	Submitted by:	Nickolas Schaul, Interim Finance Director		

AGENDA HEADING:

Approving notice of public hearing for an amendment to the franchise ordinance.

SYNOPSIS:

The City is looking to end the temporary increase to 7.5% on the electric energy and gas franchise. The additional 2.5% temporary increase was approved through June 30, 2021. The City will be able to end the additional fee almost a year early.

FISCAL IMPACT:

Amount: Approximately \$6.4 million each of the last two (2) fiscal years (FY).

Funding Source: 2020-2021 Operating Budget, page 101, S605, Franchise Fee Settlement

ADDITIONAL INFORMATION:

- The additional 2.5% in franchise fee has been collected to pay for the \$38,830,000 general obligation bonds, series 2014A that was issued on January 6, 2014. The revenue for a partial quarter ending September 30, 2020 should be enough to pay for the final outstanding bond maturing on June 1, 2021. The City will redeem early the final amount outstanding when the City receives the fund from Mid-American Energy for the partial quarter ending September 30, 2020.

PREVIOUS COUNCIL ACTION(S):

Date: December 9, 2013

Roll Call Number: [13-1926](#) and [13-1929](#)

Action: [Hearing](#) on ordinance amending the electric energy and gas franchises granted to MidAmerican Energy Company relating to temporary increase of franchise fee to be used solely toward payment of the *Kragnes v. City of Des Moines* judgment. Moved by Coleman to adopt and to approve amending the electric energy and gas franchises granted to MidAmerican Energy Company, subject to final passage of the ordinance and approval at an election by an affirmative majority vote. Motion Carried 7-0.

(C) [Final](#) consideration of ordinance above (waiver requested by the Legal Department), requires six votes. Moved by Coleman that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,244](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Public Hearing – June 8, 2020.

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