


COUNCIL COMMUNICATION

	Number:	20-260	Meeting:	June 8, 2020
	Agenda Item:	64	Roll Call:	20-0953
	Submitted by:	Nickolas Schaul, Interim Finance Director		

AGENDA HEADING:

Approve an ordinance amending the electric energy and gas franchises granted to MidAmerican Energy Company repealing the temporary increase to franchise fee used solely toward payment of the Kragnes v. City of Des Moines judgement.

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: May 18, 2020

Roll Call Number: [20-0823](#)

Action: [On](#) an ordinance amending the electric energy and gas franchises granted to MidAmerican Energy Company repealing the temporary increase to franchise fee used solely toward payment of the Kragnes V City of Des Moines judgment, (6-8-20). ([Council Communication No. 20-212](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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