



Date December 9, 2013

RESOLUTION ADOPTING REVENUE PURPOSE STATEMENT REGARDING USE OF REVENUE FROM ELECTRIC ENERGY AND GAS FRANCHISE FEES

WHEREAS, the City of Des Moines is considering an ordinance amending the electric energy franchise granted to MidAmerican Energy Company and amending the gas franchise granted to MidAmerican Energy Company to temporarily increase the franchise fee to be used solely toward payment of the Kragnes v. City of Des Moines judgment; and

WHEREAS, Iowa Code Section 364.2(4)(f) requires that, before a city adopts an ordinance amending a franchise to increase the franchise fee, a revenue purpose statement must be prepared specifying the purposes for which the revenue collected from the increased franchise fee will be expended; and

WHEREAS, a Revenue Purpose Statement Regarding Use of Revenue from Electric Energy and Gas Franchise Fees has been prepared and is on file in the Office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the Revenue Purpose Statement Regarding Use of Revenue from Electric Energy and Gas Franchise Fees on file in the Office of the City Clerk is hereby adopted and approved.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized and directed to publish the adopted Revenue Purpose Statement Regarding Use of Revenue from Electric Energy and Gas Franchise Fees as provided in Iowa Code Section 362.3.

MOVED by _____ to adopt.

APPROVED AS TO FORM:

Signature of Lawrence R. McDowell, Deputy City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, COLEMAN, GRIESS, HENSLEY, MAHAFFEY, MOORE, and TOTAL.

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

**REVENUE PURPOSE STATEMENT REGARDING USE OF
REVENUE FROM ELECTRIC ENERGY AND GAS FRANCHISE FEES**

By Ordinance No, 14,341 effective July 14, 2004, the City of Des Moines granted unto MidAmerican Energy Company ("Company") an extended and amended franchise for the production, distribution, transmission and sale of electric energy and by Ordinance No. 14,342 effective July 14, 2004, the City of Des Moines granted unto the Company an extended and amended franchise for the production, distribution, transmission and sale of gas.

Electric energy and gas franchise fees in an amount equal to five percent (5%) of gross revenue of the Company collected pursuant to Ordinance No. 14,341 and Ordinance No. 14,342, in effect on May 26, 2009, shall be deposited in the City's general fund and used to inspect, supervise and otherwise regulate the franchises. Such franchise fees collected in excess of the amounts necessary to inspect, supervise and otherwise regulate the franchise may be used by the City for any other public purpose authorized by law.

Electric energy and gas franchise fees in excess of five percent (5%) and not to exceed seven and one-half percent (7½%) of gross revenues of the Company collected pursuant to an ordinance to temporarily increase the franchise fee to be used solely toward payment of the *Kragnes v. City of Des Moines* judgment shall be used solely for the purpose specified in Iowa Code Section 386.3(A)(3)(j) to pay, adjust, renew or extend any part or all of the legal indebtedness of the City as evidenced by bonds, warrants or judgments and the funding or refunding of all amounts ordered refunded by a court of competent jurisdiction for franchise fees assessed and collected by the City prior to June 20, 2013.