



CITY OF WASHINGTON, ILLINOIS
City Council Agenda Communication

Meeting Date: March 16, 2020

Prepared By: Joanie Baxter, Finance Director *JFB*

Agenda Item: Electric Franchise Agreement Amendment – Ameren

Explanation: The current electric franchise agreement with Ameren, which expires on August 19, 2033 includes a growth clause that indicates the annual franchise payment per the contract may increase if the customer account increases by more than 3%. Our energy consultant, Good Energy, requested a review by Ameren of our account status and it was found that our electric customer account had increased from 7,025 in 2013 to 7,768 in August of 2018 or more than 10%. Consequently, Ameren has agreed to compensate the City immediately in the amount of \$20,352.50 for the period August 2018 through April 2020 and to revise the current franchise payment of \$105,670 per year or \$26,417.50 per quarter to \$117,300 per year or \$29,325 per quarter.

Fiscal Impact: An additional \$20,352.50 in revenue will be received for FY 2019-20 with additional revenue of \$156,520.42 received in increased franchise fees for the remainder of the contract.

Recommendation/Committee Discussion Summary: Will be discussed at Finance & Personnel Committee with the Ordinance on the agenda with request to waive Second Reading.

Action Requested: An Ordinance is required to amend the terms of the agreement and **Staff requests waiving Second Reading** so the Ordinance can be approved and Ameren can be notified of the changes in compensation.

ORDINANCE NUMBER: _____

AN ORDINANCE AMENDING THE TERMS OF AN ELECTRIC FRANCHISE AGREEMENT WITH AMEREN ILLINOIS COMPANY d/b/a AMEREN ILLINOIS.

WHEREAS, the City of Washington (the "Municipality") is a unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, the current Electric franchise ordinance, Ordinance No. 3049, (the "Electric Franchise Ordinance") between the Municipality and Ameren Illinois Company, d/b/a Ameren Illinois (the "Company") expires on August 19, 2033; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of the Municipality to amend the terms of the Electric Franchise Ordinance; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS AS FOLLOWS:

SECTION ONE: That the terms of the Electric Franchise Ordinance are hereby amended to compensate the Municipality in the amount of \$117,300, annually, payable in quarterly payments of \$29,325, commencing with the August 2018 payment, (Anniversary Date August 19) in lieu of the \$105,670 referenced in Section 6 of the Electric Franchise Ordinance. This is due to the terms of the Growth Clause being enacted. The electric customer count has increased from 7,025 in 2013 to 7,768 in August of 2018. A one-time check in the amount of \$20,352.50 will be issued to cover the time period of August, 2018 until April, 2020. Beginning in May, 2020, the quarterly payments of \$29,325 will continue. Except as expressly modified by this Ordinance, the provisions of the Electric Franchise Ordinance shall remain unchanged and in full force and effect.

SECTION TWO: That all ordinances, or parts of ordinances, in conflict herewith are hereby repealed effective upon the effective date of this Ordinance.

SECTION THREE: That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law and its acceptance by the Company.

PASSED BY THE CITY COUNCIL OF SAID CITY OF WASHINGTON, COUNTY OF TAZEWELL, STATE OF ILLINOIS, THIS ____ DAY OF _____, 2020.

Mayor

(Seal)

ATTEST:

City Clerk

ACCEPTANCE

The Company, Grantee of the rights, privileges and authority granted by Ordinance No. _____, of the City of Washington, Illinois, entitled "An Ordinance Amending the Terms of an Electric Franchise Ordinance with Ameren Illinois Company, d/b/a Ameren Illinois," hereby accepts said Ordinance and all the provisions thereof.

In Witness Whereof, the Company, Grantee as aforesaid, has caused these presents to be signed this ____ day of _____, 2020.

Ameren Illinois Company
d/b/a Ameren Illinois

Richard J. Mark
President

(Corporate Seal)

Attest:

Assistant Secretary

STATE OF ILLINOIS)
COUNTY OF TAZEWELL) SS.
CITY OF WASHINGTON)

I, _____, Clerk of the City of Washington, State of Illinois, do hereby certify that the foregoing is a true and correct copy of acceptance of Ordinance No. _____ of the City of Washington as therein described, the original of which acceptance was filed in the office of the Clerk of said City on the _____ day of _____ 2020, and is now recorded among the original records thereof and that I am the keeper of the same.

Witness my hand and the official seal of said City this ____ day of _____, 2020.

City Clerk

(SEAL)