



## Town of Miami Lakes Memorandum

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**To:** Honorable Mayor & Councilmembers

**From:** Honorable Councilmember Jeffrey Rodriguez

**Subject:** FPL Franchise Fee

**Date:** August 18, 2020

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### Recommendation:

At our Budget Sunshine Meeting on June 25, 2020, the Town Manager and Staff provided us with the first draft of the Proposed Budget for Fiscal Year 2020-2021. Although the first draft of the Proposed Budget for Fiscal Year 2020-2021 reflects a balanced budget, it does not address the pair of “one time revenue transfers” that we were forced to make from the Reserve Fund Balance (\$431,800.00) and the MLOP Capital Fund (\$420,000.00) in order to ensure that we had a balanced budget for Fiscal Year 2019-2020.

I would like to make a motion to increase the FPL Franchise Fee from 3% to 4.5%, with the restriction that any monthly FPL Franchise Fee Revenue in excess of \$106,250.00 (the same being 1/12 of the \$1,275,000 Franchise Fee threshold set forth in Ordinance No-19-247) shall be disbursed as follows:

- (a) First, to replenish the Reserve Fund Balance (i.e. the Town’s Savings) until the Reserve Fund Balance has received the \$431,317.00 withdrawn in FY 2019-2020;
- (b) Then, to replenish the MLOP Capital Fund until the MLOP Capital Fund has received the \$420,000.00 withdrawn in FY 2019-2020;
- (c) Then, to be applied as set forth in Ordinance No. 19-247.

According to FPL, the current Franchise Fee of 3% is equal to approximately \$2.88 per month for every 1000 kwh of consumption. Increasing the Franchise Fee to 4.5% would only equate to an increase of approximately \$1.50 per month for every 1000 kwh of consumption.

I feel this increase is small enough not to detrimentally affect the monthly expense budgets of the residents and businesses of Miami Lakes, yet represents an increase in revenue that will allow the Town to replenish our savings/reserve accounts and thereafter attempt to address the much needed infrastructure improvements throughout out Town.

Fiscal Impact: None

Funding Source for Implementation:

Timeline for Implementation:

Guiding Principles: 1,2,3,4,14

Objectives: 1