



March 1, 2016

STATEMENT MADE BY INDIAN RIVER SHORES MAYOR BRIAN BAREFOOT

AT THE PSC HEARING 3-1-16

Good morning Madame Chair and Commissioners, I'm Brian Barefoot and I serve as Mayor of the Town of Indian River Shores. As a matter of background, I'm not a lawyer and I'm not a politician. I spent my entire career in business. I'm here today for one reason – to speak on behalf of the residents I represent. To them, the constitutional issue that Mr. May just described is not an esoteric legal problem or a test question on a law school exam. This is a real issue that is harming the people in my community.

Our situation is unique. The territorial boundary between the FPL and City electric systems divides my community. Some of our residents are served by FPL; others are served by the City. We are served by two different utilities and receive vastly different service, at vastly different rates, with vastly different regulation and oversight.

It is no exaggeration to say that our residents who are being forced to receive electricity from the City are being taken advantage of.

- Our residents have no say in how rates are set or how Vero Beach uses the UNREGULATED PROFITS that it extracts from them;
- The City diverts those UNREGULATED monopoly profits to its General Fund to pay for costs that have nothing to do with operating its utility. For instance, our residents are subsidizing the City's unfunded pension obligations to past and current employees whose work is unrelated to the electric utility.
- Bottom line – our Town's residents are forced to subsidize the operations of a City that is unaccountable to them. City leaders have made it clear that the unregulated monopoly profits taken from our citizens are used to artificially depress the City's ad valorem tax rates.

When I talk to Legislators and other leaders around the state about what's going on in our community, they invariably say that what Vero is doing is blatant "Taxation Without Representation." Regardless of whether you call it "taxation without representation", or the exercise of "extra-territorial powers" without consent, it's fundamentally unfair to the people I serve.

Commissioners, I swore an oath to protect the people in my community. I'm assuming that you swore a similar oath to protect the public. I'm asking for your help. When the Circuit Court said it didn't have jurisdiction to hear our constitutional issue the Court made it clear that we could seek relief before this agency. We intend to take the Circuit Court up on its directive. Our lawyers will be filing the appropriate pleading with you shortly. We need your help.

But I also want you to know that there is pathway to resolving this matter short of litigation and I'm committed to exploring that option to the fullest. FPL has offered to purchase the City's utility assets in our Town for a fair and reasonable price. We believe that initial offer could be a real catalyst for settlement, particularly since in our view the City has no constitutional right to serve after November 2016 anyway. FPL is willing to purchase, our residents would welcome that purchase, and the FMPA has publicly stated that it would not oppose it.

Having a PSC-regulated utility, with professional and neutral oversight of utility rates, as the single electric utility provider in the Town would cure issues that I described above. We've made every effort to get there, but obviously still need your help.

Thank you for your time and I'll be glad to answer any questions that you have.

Brian M. Barefoot
Mayor
Indian River Shores