



May 11, 2017

Mayor's Statement Regarding Full Sale Offer

Dear Friends and Neighbors,

Our region faces an historic opportunity, thanks to the work of leaders at Florida Power & Light and the City of Vero Beach.

As you may know, FPL has now submitted a letter-of-intent outlining a purchase of the full Vero Beach electric system, which would bring much-needed rate relief to the residents of our Town and fulfill the wishes of Vero Beach voters. The offer will be discussed at a special-call meeting of the Vero Beach City Council on May 16, and I encourage all interested residents to attend.

The offer is substantial. FPL is proposing to purchase the entire electric system for approximately **\$185 million**, which breaks down as follows:

- \$108 million for the City to exit all FMPA obligations, per the “exit fee” provided by FMPA last year.
- \$20 million for the City to exit its wholesale power agreement with Orlando Utilities Commission.
- \$20 million to pay off the City’s electric utility bonds.
- \$10 million lease payment for the City’s substation.
- \$6.6 million to cover pension liabilities
- \$20 million in cash

The cash proceeds from the full sale of the system will be unrestricted, and can be used to meet any of the City’s needs.

Unlike previous offers, there is no “surcharge” through which City utility customers would offset the cost. Once the sale is complete, all customers will receive FPL service at the utility’s low rates. And unlike today, all will have access to electricity powered increasingly by solar energy. In short, this is a clean deal that provides tremendous benefits to all.

Vero Beach Mayor Laura Moss deserves our gratitude for pursuing this opportunity even as she pushed for Council approval of the partial sale. Former Mayor Dick Winger has also expressed long-standing vocal support for a full sale that would meet FMPA obligations and keep all customers whole. FPL’s offer meets all of the requirements he has set forth.

We should also take a moment to thank Senator Jack Latvala, Senator Debbie Mayfield, and Representative Erin Grall for their unwavering support and constant encouragement of all parties – including the FMPA – to appreciate the public benefits of a full sale.

This opportunity would not be possible without the support of FMPA and its member cities, which have signaled their willingness to work with FPL on a full sale. FPL’s offer ensures that their estimated “exit fee” will be met along with all of the City’s other remaining obligations.

This does not mean, however, that a deal has been reached, or that our work is done. There are some who will continue to fight a sale, no matter the benefits. We must not let those voices impact the vote of the City Council, the review by FMPA member cities, and the ultimate approval to be sought from the Florida Public Service Commission. I will continue to push for the completion of a full sale, and encourage you to remain vocal in support as well.

You will be glad to know that if an agreement on the full sale is not promptly reached, the letter-of-intent states that FPL will move forward with the partial sale of the electric system in our Town, as approved by the City Council last year. I have said from the beginning that the best option for everyone is a full sale of the electric system, but if necessary we will protect the rights of our Town’s citizens and seek rate relief through a partial sale to FPL.

I will do my best to keep you informed as this process moves forward, but encourage you to follow this issue closely. This is an exciting time for our Town and for all customers of the Vero Beach electric utility.

Brian M. Barefoot
Mayor