

1.04 Public Utilities – The City shall not renew or enter into a new franchise agreement, contract, lease, purchase agreement, or memorandum of understanding for provision of utility services without securing a study on the feasibility of municipalizing that utility as well as securing a full and independent audit of the prior agreement by a certified public accountant or firm of such accountants who have no direct or indirect interest in the fiscal affairs of the City or any of its officers or elected officials. For municipalized utilities, the City shall secure a study on the feasibility of privatizing that utility no less than once every 30 years. The City shall not **create or** dispose of any public utility without referendum.<sup>1</sup>

**Comments from Mayor Grover Robinson dated 4/18/22:**

The mayor seems concerned this is a consultant annuity (i.e. fee) driven recommendation. This is unfounded given the studies would only be required once every thirty years, an insufficient frequency or cost to merit such a concern.<sup>2</sup> More genuine a concern is the balance required for a referendum to both create and dispose of a public utility. That has been addressed and added above. With regard to Pensacola Energy's indefinite longevity resulting from this Charter Amendment, presumptions such as the Mayor's that "Pensacola Energy will be here forever" is exactly the type of unsupported presupposition this amendment will either support or refute with objective evidence. The same is true regarding non-controversial and small public utilities such as land telephone lines. Presumptions should give way to objectively proven evidence. Finally, preference of addressing this issue through ordinance would certainly be preferred, but the consistent reliance on presumption necessitates the proposed mandate by Charter to ensure the best interests of the citizens of Pensacola are considered.

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<sup>1</sup> See Hialeah City Charter, p.2/23. Given that franchise agreements are up to 30 years, and in the case of Florida Power & Light valued at or more than \$240 million, one full audit and one feasibility study on municipalization every renewal is prudent and financially responsible to ensure the City negotiates its best deal and knows the viability of alternatives to renewing the franchise. Likewise, privatization of public utilities should be fully evaluated every thirty years at minimum to ensure the best deal for the City. "Ignorance is not a sound position from which to negotiate" – Tom Cloud.

<sup>2</sup> Put into context, had Don Tristan De Luna enacted this rule when he first landed in Pensacola in 1559 the recommended studies would only have been performed 15 times over the last 463 years. Hardly a consultant's boondoggle.