

City of Tallahassee: Power supply vs. taxes/fees



TallahasseeVoices is a pro bono internet survey panel sponsored by Kerr & Downs Research, which is solely responsible for information contained within TallahasseeVoices' reports.

Survey was conducted in April 2011 with 523 panel members responding.

Contact: Phillip Downs, Ph.D., Founder, TallahasseeVoices
Professor of Marketing, Florida State University
Senior Partner, Kerr & Downs Research
pd@kerr-downs.com

Listening to Citizens' Voices

It appears that City Hall is finally asking citizens how they feel about the budget. After much prodding from TallahasseeVoices, City leaders have disseminated an internet survey that enables citizens to register their priorities regarding services affected by the budget.

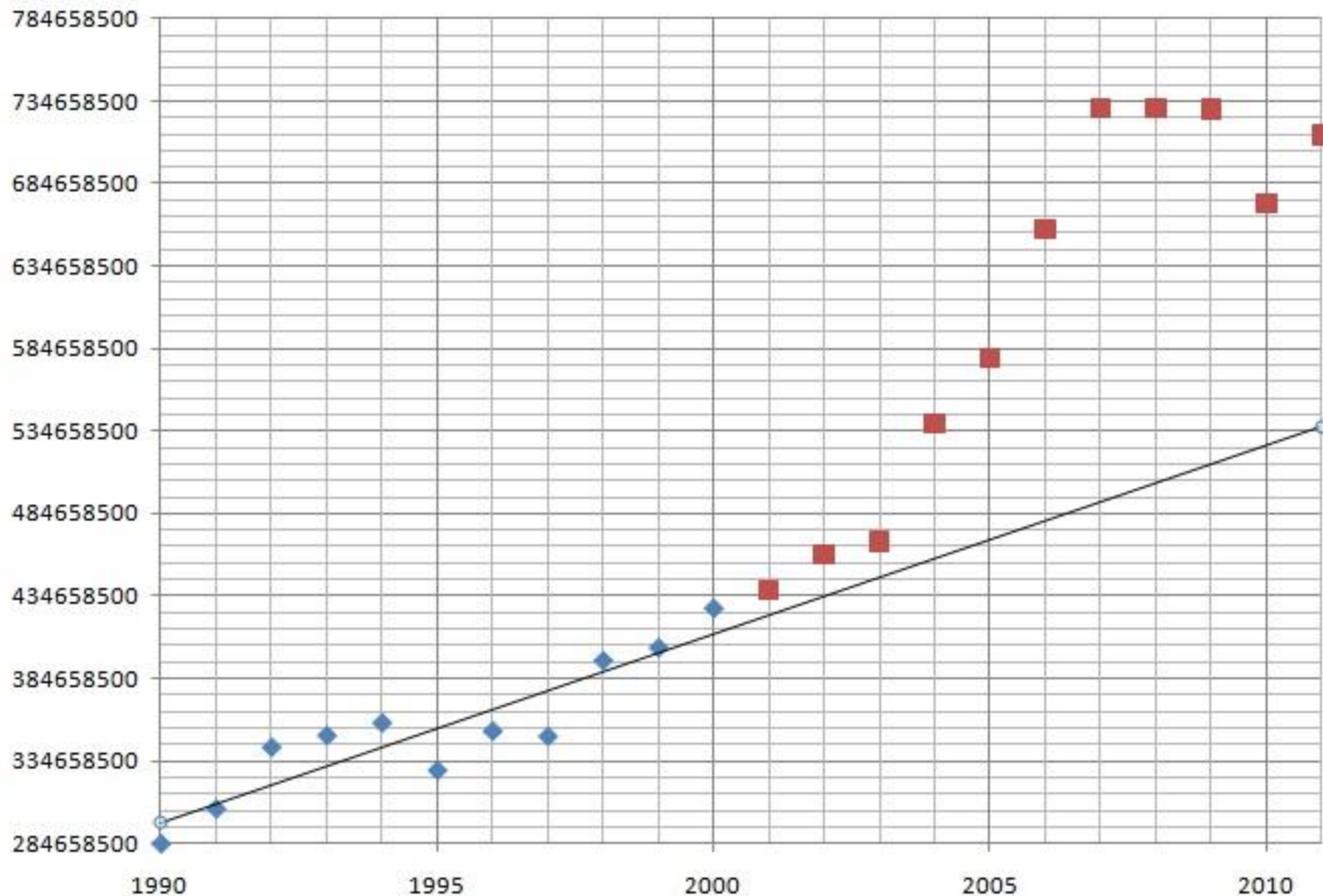
This is a first good step in incorporating citizens' input into the budgeting process. A second critical step is to establish trade-offs with real dollar figures. That is what TallahasseeVoices has done in this survey as it relates to our local energy supply. Stay tuned for more surveys that give citizens trade-offs between service levels and taxes/fees.

Diversifying the City's Energy Supply

- 56% of local citizens prefer that the City Utilities diversify its fuel supply portfolio to include coal so citizens can pay less in City taxes and fees.
- 26% of citizens are willing to pay extra fees and taxes so City Utilities can maintain a fuel supply that is 100% natural gas.

TallahasseeVoices panelists were shown the following graph depicting the City of Tallahassee's budget from 1990 to 2011. The trend line was statistically determined based on 1990 to 2000 City budget figures. The trend line shows how the budget would have increased from 2000 to 2011 **IF** the City budget had continued to increase at the rate it increased from 1990 to 2000.

Based on this trend line, the City operating budget should be about \$535 million in 2011 – instead it is \$714 million. The difference between the City budget today and what it would have been **IF** increases in the 2000s had not exceeded increases in the 1990s amounts to \$900/year in additional taxes/fees for every man, woman and child in Tallahassee.



The City maintains that the rapid budget increases in the 2000s (specifically between 2003 and 2007) were a result of increases in natural gas prices. The City relies exclusively on natural gas because it is environmentally cleaner than coal. In fact, according to Barry Moline, Executive Director of the Florida Municipal Electric Association, Tallahassee is the only public utility east of the Rockies to rely totally on natural gas. In other words, local residents are paying \$900 per year per person to not have any coal as part of the total energy supply.

Which of the following do you support?

