

## NEWS

JAX DAILY RECORD

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## Legislation encourages RFP for sale of JEA

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by: [David Chapman](#)

The sale of JEA, the city's not-for-profit, community-owned electric, water and sewer provider, has been a topic discussed by City Council members in recent months as a way to potentially boost City coffers during times of budgetary decline.

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Council member Matt Schellenberg filed legislation Thursday to take action on the idea, through a resolution encouraging the mayor to direct the City Procurement Division to issue a request for proposal for the sale of the utility.

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Schellenberg said on Thursday that the City owning such a utility was not a core function of government and its sale would be relatively budget neutral each year while providing a windfall of funds that could be applied toward current problems and saved in reserves.

"The net number to the Jacksonville area would be about the same," he said.

The legislation states that JEA serves more than 417,000 electric, 305,000 water and 230,000 sewer customers and it makes an annual contribution of \$94 million.

Schellenberg said several companies would likely be interested in bidding on the utility and that what it contributes annually would be deferred by returning to the property tax rolls.

But, it would have to be worth it, he said.

“If it wasn’t worth a billion (dollars) or more, it wouldn’t make sense to do it,” he said, later adding that if such a transaction were net neutral, “I’m not interested in it.”

Schellenberg said he wants to form a Council Ad Hoc committee to explore the issue more, collect public input and hear from utility officials on the potential for the idea. A goal would be to have the committee, initially small, meet by the end of the month and have input to determine its viability, he said.

He also said such a deal would take a couple of years to finalize and that during that time, priorities on what to spend the money on — and how much needs to be put into reserves — need to be determined.

Which also leads to what he said could be problematic: having such a large influx of funds being wasted.

“It’s the biggest fear I have,” he said. “If they’re going to waste the money, I’m not going to do it.”

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As one Council voice, Schellenberg said funds from a sale could be applied toward fixing pension issues and lowering its annual costs while also paying down debt, with the rest — he suggested maybe \$500 million of a hypothetical \$1 billion sale — put into reserves.

“We need to deal with looking at how we can better utilize our assets,” he said.

A resolution would only encourage Mayor Alvin Brown to act on the issue, but by forming the special committee to analyze the issue, Schellenberg said if results bore out that the idea was a positive for the City, it would apply pressure on Brown to act.

A request for comment on the legislation by Brown’s administration was not returned.

Jane Upton, JEA director of communications and community outreach, said that JEA is aware of the legislation and understands Schellenberg’s desire to investigate the feasibility of selling the utility.

“On this matter and any other, we are always open to a full and transparent dialogue with the City Council and the City about JEA’s business,” Upton said.

She also said the utility’s contribution to the City this year is \$106.7 million and escalates \$2.5 million annually, regardless of other factors such as annual sales.

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