



# NEBA News

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## NEBA Hears Report From Tax Watch

by: **Jim Ashlock**

Robert Weissert, official with Florida Tax Watch, told NEBA at its March luncheon that Florida's current financial crisis presents opportunities to improve things for business and the general public.

"This is a time we could actually improve government in Florida," Weissert said. "The need is for government to determine how it can be more efficient, more economical."

Listing examples of opportunities, he cited the \$11 billion in internet sales transactions Floridians perform annually, to which no sales tax applies. He stressed that if Florida is to continue relying on sales taxes as its primary revenue source, it needs to tax these sales and also focus attention on the 239 other exemptions that currently exist.

He acknowledged that not as much more revenue might result from cancelling exemptions as some might imagine. Too many are life-related, like food, medicine, medical services and other essentials. But the legislature should go after those that simply benefit special interests.

Additionally, Weissert said continued reliance on sales taxes is unfair to business in the long run, contributing to Florida's reputation

as unfriendly to corporate development.

"Our restrictive permitting regulations for new business are widely known," he said. "It can take a year for a new business to gain all the



*From l to r- Robert Weissert, Patricia Griffin and Stephen Stewart*

permits to establish itself here. In North Carolina it takes seven days."

The overall need he sees is for Florida government to change course, to start looking for ways to reduce expenses, prioritize its responsibilities, close tax loopholes and start operating in a more cost-effective manner. Above all else, it should block anything that contributes to government growth.

He warned that Floridians should not expect much relief from the federal bail-out program, most of which will go to bolster medicaid and other social welfare entitlements.

Prior to Weissert's remarks, Stephen Stewart, local businessman and advocate for changes to the city's

charter, encouraged the audience to become involved in the current charter review process to seek changes. He emphasized the need to establish an independent authority to manage the city's electric utility.

Tallahassee citizens and businesses are paying millions of dollars more each year than if they were operating with the rates of Talquin Electric, he said. Also, local rates are inflated by the city's refusal to adopt sources other than natural gas to generate electricity.

This will continue so long as the electric utility operates under the direct control of the city commission, where it is managed more by political than practical considerations.

Please see "TAX WATCH" on page 3

### *Inside this issue...*

*Smart Meters.....page 2*

*Congressman Alan Boyd visits NEBA .....page 3*

*Calendar.....page 4*

*Spotlight on New Members .....page 4*

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## NEBA News

### Editors:

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The North East Business Association publishes NEBA News bi-monthly. Articles of interest are welcome. Publication of submitted materials is subject to review and space available. Article deadline is the 1st day of the month of publication.

Send articles, letters, photos or suggestions to: NEBA News at the following email addresses: burnsn@leoncountyfl.gov or maureen@mediaoptionsinc.com. or FAX-850-893-4097.

For additional information phone Maureen Thompson at 850-668-0948 or Nancy Burns at 850-922-3331

# Smart Meters-A Dumb Idea?

by: **Ted Thomas**

According to the Florida Municipal Electric Association, Tallahassee has the highest kilowatt rate in the State of Florida. Undoubtedly, our high rate is based on the high rate we are paying for natural gas. We do however expect a reduction in our rate beginning April first, because of lower natural gas prices, but how long it will last is anyone's guess.

Along come smart meters and the quest to lower utility bills. The plan, assumes you and 25% of the city's 100,000 utility customers will sign up to participate, and **YOU MUST SIGN UP**, then by monitoring the Smart Meter and adjusting your usage, you will get a lower rate and earn your right to a lower utility bill. In these times of complicated lives, is it naive to think people will rush to participate, when we can't even get them to sit down and have dinner with their family?

From a business prospective, would you spend \$45 million dollars on the program knowing that your break even point is at least 15 years from the date the program begins and is tantamount on 25,000 utility customers signing up to monitor their electric use?

Also consider that Tallahassee has 60,000 students and they are not known to conserve by even simply turning off the lights around their house. What makes anyone think they will know to comply?

My main point is that the sad part of all of this is that the contract has been signed and now there is nothing we can do about it! Two things come to mind. First,

where was the public notice and debate? Second, isn't it time for a utility authority? What are your thoughts?

*Please read the following excerpt to understand some common issues with smart meters.*

From California to Colorado to Maine, consumer groups are expressing concerns about these efforts. In particular, they're leery of giving utilities the ability to change electricity prices on the fly, jacking rates up on hot summer days, for instance. Most utilities are prohibited from using variable prices now, but the flexibility to raise rates for a community as demand rises is essential for utilities to get the full benefit of new technology. Consumer groups worry these so-called smart-grid technologies are just another way for utilities to make extra money off consumers. "It's the biggest hype since electric [*deregulation*] and has the same amount of factual basis," says Barbara Alexander, a consultant for several state consumer advocates.

The controversial aspect of smart meters is that they let utilities create real-time markets for electricity, with prices that could vary by the minute. If demand is low on a cool fall night, prices are low. But if demand surges during the summer as people blast the air conditioning, the utility can raise prices in the region to discourage usage. That saves utilities money because they wouldn't have to build power plants to meet high demand. And, supporters argue, consumers would learn to conserve energy.

Consumer advocates have a **Please see "METERS" on page 3**

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# Allen Boyd Addresses NEBA April Luncheon

by: **Jim Ashlock**

Congressman Allen Boyd, representing Florida's 2<sup>nd</sup> Congressional district, told a capacity group at NEBA's April lunch meeting that he and other "Blue Dog" conservatives are still working for fiscal responsibility in Washington.

"You really don't worry about balanced books in D.C.," Boyd said. "The culture is that you can have anything you want and don't have to worry about how to pay for it."

He noted that the Bush administration came to Congress saying the economy was in trouble, and asked for \$700 billion in stimulus money to correct it. But more was needed. He supported additional funding because 15 economists told the Blue Dogs that doing nothing was not an option, and that the economic system could not be allowed to collapse.

"So we did act with a stimulus package which admittedly was not perfect, but seems to be helping. The stock market is improving and credit is becoming available again," he said.

Asked why he supported President Obama's budget, Boyd replied that Congress did not support that

budget, but instead formed and adopted its own budget.

"We didn't give the president



*Congressman Allen Boyd and Ted Thomas*

everything he asked for," he said.

The \$750 billion in stimulus money will not by itself fully correct the problems in a \$14 trillion economy, Boyd said, but he feels it will help. But he said it will only if it goes to those who need it, it provides help right now, not later, and that it goes for necessary things.

Boyd spoke favorably of President Obama's performance so far, noting that while he did not endorse him for president, he is headed in the right direction. One problem, he said, is that Obama is trying to work with a Congress that is dysfunctional.

"The divide in Congress has

become so bad that it is almost impossible to bridge," Boyd said.

"There is no communication among the party leaders. Everything is extremely partisan."

He stressed that the Blue Dogs are trying to correct this, noting that Obama has also lectured both houses on the need for cooperation. The president's priorities at present are health care, which Obama identifies as the core of the nation's problems; energy, with the need for independence from foreign sources; education, which is viewed as a primarily state and local responsibility;

and fiscal responsibility.

Asked why he doesn't support offshore oil and gas development which would provide Florida with royalty money for education, Boyd said he does support it to an extent. But he would not endorse such exploration east of the Ft. Walton area of the Gulf, saying drilling structures would interfere with military aviation activities.

"This country produces only two percent of the world's petroleum, yet consumes 25 percent of it," he said. "We cannot drill our way out of this problem."

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## **"METERS" from page 2**

different perspective. First, even with stimulus grants, consumers have to pay part of the cost of any smart meter rollout, but much of the benefit is in lower operating costs for utilities. More crucial, all consumers, including those who can't or don't want to be responsible for monitoring their electricity use,

could be exposed to volatile prices. An elderly woman home alone on a summer day could see rates in her community triple or quadruple without being able to do much about it.

**Source: "The Static Over Smart Grids" by Heather Green- Business Week.**

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## **"TAX WATCH" from page one**

He asked for a strong turnout at the charter review board's meeting the following Monday night to speak out for an independent electric authority. However, hardly anyone showed up.

# Calendar

**NEBA meetings are held on the second Tuesday of each month at Lucy Ho's- 1700 Halstead Blvd. from 1:00 p.m.- 2:00 p.m. Cost is \$9.00 per person**

**June 9- Jim Davis- Blueprint 2000**

**July 14- Stephen Stewart- The Tallahassee Reporter- will update city issues**

**August 11- Secretary Walt McNeil- Department of Corrections**

## Spotlight on New Members

*NEBA would like to welcome these new members to our organization. Thank you for joining us.*

\*Dave Lang- (850) 893-7644

\*WTLX- Rebecca Hale-(850) 509-0800

\*WCTV-Nick Waller-(850) 907-2133

## NEBA President Thomas Wins Award

NEBA President Ted Thomas won the Byron M. Potter Award during the "Growing with Tallahassee" meeting. This award is presented in honor of the recipient's dedication to the continuance of the "Growing with Tallahassee" program which is sponsored by the Board of Realtors, Tallahassee Builders Association and the Mortgage Bankers Association of Tallahassee. Ted was recognized for acting as a liaison between the local business groups and local and state elected representatives and also for keeping the associations informed on important issues affecting real estate and housing.

Congratulations Ted! Keep the information coming.

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Richard Maus, President

Copiers \* Engineering Systems \* Printers \* Fax  
1949 Raymond Diehl Road, Suite B  
Tallahassee, Florida 32308  
850-385-1772 Phone  
850-385-0087 FAX  
850-524-3323 Mobile  
rich@tlhtech.com



### Website Content Updates By:

**CURTECH Computer Services, LLC**

[www.at-home-computer-support.com](http://www.at-home-computer-support.com)

850.980.2571

[Curt@CURTECHIT.com](mailto:Curt@CURTECHIT.com)



North East Business Association  
c/o 2791 Capital Circle N.E.  
Tallahassee, Fl. 32308