

City to Audit Impact Fee Collections

Council member Steve Kornell said he wanted to “propose initiating a management study to audit the collection of taxes and impact fees between the years 2004-2011.”

By William Mansell

By a 6-2 vote, St. Petersburg City Councilors approved an external audit of the city’s transportation impact fee collections.

The call for an audit came following publicity of a \$160,000 tax break that was given to the Hilton at Carrillon Hotel in 2003, which the city said was a mistake.

Council member Steve Kornell brought up the issues. He said he wanted to “propose initiating a management study to audit the collection of taxes and impact fees between the years 2004-2011.”

“I feel my No. 1 duty as an elected official is to safeguard, to make sure things are open and transparent,” Kornell said.

The Council said that specific details and the scope of the audit will be decided at a later workshop.

The likely scope will be from 2006-08, because of the statute of limitations and new policies that were put in place in 2008 by former Mayor Rick Baker.

Out of 10,000 previous transactions, Kornell said a previous audit looked at 50 transportation impact fees. Four out of those 50 were incorrect.

“That’s an eight percent error rate in our audit,” Kornell said. “I trust our internal audit, (but) if you look at one half of one percent and you have eight percent errors, that calls for a further audit.”

Council members Jim Kennedy and Bill Dudley were the “no” votes. Kennedy said it would be hard to act on information prior to 2008. He said the Council could do nothing with that information.

According to the Tampa Bay Times, the 2003 Hilton error was intentional:

“In 2007, county auditors discovered that Don Tyre, a city employee, had wrongly given a \$160,000 fee break to the developers of the Hilton at Carrillon Park. Tyre said he made no mistake. He told city investigators that he scratched out the correct amount and inserted the lower, incorrect total upon the request of a supervisor.”

The article later added that Mayor Bill Foster is not pursuing any further investigation on the matter.

According to Foster, in 2008 former Mayor Rick Baker put procedures in place to ensure no more lapses are made with impact fees.

Foster said he fully supports the Council’s decision to call for an audit. “I will assure that this administration has nothing to hide and nothing to gain by leaving anything on the table.”

On Thursday Council member Wengay Newton said the audit error is unacceptable and that he fully supports an independent, external audit.

“Personally to me, I think this thing reeks of an independent audit,” Newton said. “Moving forward how can we assure when this won’t happen again?”

“If you went through that small amount and found discrepancies, when there is smoke there is fire,” Newton added. “This was either intent or criminal. They go to jail for a lot less.”

Foster quickly fired back at Newton. “That is defamatory and I do want to warn you against that,” Foster said in regards to Newton’s “criminal” comment.

