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Ron Ibarra oral history interview by Robert Kerstein, April 28, 2006

Ron Ibarra (Interviewee)
Robert J. Kerstein (Interviewer)

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RK: This is an interview with Mr. Ron Ibarra on April 28, 2006. Thanks a lot for making time to come, sir.

RI: No problem, looking forward to it.

RK: Can you please tell us what exactly your job was at the city?

RI: Yes, I was Chief Accountant from 1978 until November of 2005. But I started with the city before that.

RK: Okay, when did you start with the city?

RI: June of 2006, and I did the audit of the city for two years prior to that.

RK: Okay, I’m sorry, it was June—


RK: 1976. But you also did the audit of the city—?


RK: Okay.

RI: For two years.

RK: And you were there for the entire administration of Sandy Freedman, and can you tell us what your responsibilities were sir?

RI: My main job was to do the accounting work. We did pension, payroll, all the accounting, [cash,] receiving, probably 90% of the money. Did all the payments, and I
did some of the financings, the bond issues for the city, and made sure that the audit was completed on a timely basis every year.

RK: Cities often have to borrow money from major expenditures, major capital expenditures, and that’s where bond issues come into play I guess.

RI: Yes, and I—

RK: Can you explain a little bit about how the bond business works, because I don’t think most of us know, including myself. And then can you speak about some of the major bond issues during the Freedman administration?

RI: Yes. The—it’s a simple process basically. You have a need, a project, whatever it might be—a museum, a performing arts center, convention center, whatever it might be. And the next thing is you—what we did was usually an RFP to solicit for an underwriter to assist us in the process.

RK: And what’s an RFP?

RI: A request for proposal. Thank you. And so we’d do the request for proposal, and whoever had the best idea and the best background—do all the standard questions, you know, professional skills, background, how many had you done—and would work with that firm and sometimes we’d hire a financial advisor to assist us in the process. So there’d be two people that had professional expertise in doing the bond issue. And then we’d size the bond, you know, determine all the costs, go out into the market and sell the bonds to different entities. Mostly wealthy people would buy tax exempt government bonds. You’d find a few major players like pension funds or, insurance companies. But a lot of wealthy people—especially many from Tampa who, if they had a pet project, like a performing arts center, and they had some amount of wealth, they would say, I’ll take some tax exempt bonds.

RK: And how do they become aware of these bonds?

RI: There’s a solicitation done and the underwriter usually solicits different companies and clients. Most of them are clients, that are wealthy people. And the [underwriter does the] solicitation, approximately ten days before you issue the bonds to get them—so they can prepare—[buyers for the bond sale].

RK: And can you give an example of some of the underwriters?

RI: We used Merrill Lynch, Goldman Sachs, Smith Barney, Morgan Stanley.

RK: So these are national or multinational firms. Did they all have offices here—did you—?
RI: Correct. Usually we solicited, we selected a firm that had a local—Goldman Sachs would be the only one we didn’t, but they had a unique product that we wanted to use. So basically we’ve done—at that time you had Dean Whitter and a lot of them that are no longer around. Dean Whitter, EF Hutton, Shearton. There’s a lot that have been bought out or merged with other companies.

RK: And the underwriters would bid for your work?

RI: They would quote us the price that we’d have to pay them for their services. And it was mainly on qualifications, ability of the, you know, the people they had on staff. And the ability to sell the bonds. Cause many of them don’t have large offices. We usually went with the firm that had large—a lot of offices, especially locally, but nationwide. So they could sell the bonds and get the lowest rate.

RK: Were there certain individuals who you worked with often, working for these major firms for them?

RI: Yes, but sometimes you know, they’d moved on to different jobs. But there—it’d typically be returning people that we would get familiar with.

RK: Do you remember any names?

RI: There was a gentleman named Frank King with Merrill Lynch, Coleman Cordell with Morgan Stanley. Who else? Henry Reyes, he was with Smith Barney.

RK: And so did this process change at all when the Freedman administration came into office? In terms of any—the way—any of the ways in which you went about your business?

RI: Not really, no. She’s, she let us remain doing the same process, being consistent. She wasn’t—the main thing that I would say that she did is she wanted to mostly do refundings if at all possible. She wanted to—some mayors elected you know, maybe to have pet projects, but her goal was to—if it was a refunding, it was almost like, do it. And to do the refunding you got to have interest rates lower than the original rate that you issued on the bond, sort of like a house refinancing. So her goal was, if you can find refinancings, if there’s some way that you notice them when you look at, in the—what I do is you look at the financial statements at the end of the year, and you just look at interest rates and if they’re above what are currently interest rates, you start soliciting people to see if they can, you know, if they can make it work.

RK: So she focused on that more than other mayors?

RI: Correct. Her goal was, yeah. She, she said that to me several times, you know, if it’s a refunding, do it Ron.

RK: So she’s—
RI: *Go after those.*
RK: That’s kind of a type of fiscal conservatism, is that fair to say?

RI: Yes sir. Very much so.

RK: What were the major bond issues you were involved with from the time that Mayor Freedman took office, which was in ’86?

RI: I think most of the bonds that we’d done prior to that like the Performing Arts Center, we refunded under administration. We had a bond for the zoo that we refunded during her administration. We did a couple of—and we also did water and sewer refundings. And so I’d say we probably predominately did refunding bonds during her administration. The only bond—and we did not do it—during her administration was the Aquarium bonds. We did, but those were not city bonds initially, they are now. Because the Aquarium, we assisted, we did which is another concept, we did what’s called a conduit bond.

RK: Conduit bond?
RI: Yeah.

RK: And that was the initial bonds for the Aquarium?

RI: That was the initial bonds. In essence, they weren’t our bonds. The obligor was the Aquarium. But we gave them our tax exempt status by doing a conduit issue, so they got lower interest rates—tax exempt rates. So, and we’ve done those for the zoo, that’s what was planned for the museum; we’ve done them for LifeLink, other entities. We’ve done them for Moffitt Center, and we’ve done them for a couple at Dacco.

RK: What’s that?
RI: Drugs—
RK: Okay.

RI: It’s that group that—they just want to buy a building, they do the drugs and stuff and I’m trying to think. We did a tax exempt bond for Volunteers of America so they could acquire a new building in Tampa. We did one for Tampa Prep.

RK: So is the primary—at least one of the primary criteria here that they have to be not for profit organizations? Is that true?

RI: Yes.

RK: And then beyond that, how do you determine whether or [not] to assist them?
RI: The key to it for the city—other people do it different ways—the key to the city the way we did all our conduits, was the city had no responsibility if there is a default, they had to find a bank, like Bank of America, SunTrust, Wachovia, all of them did conduit bonds for the nonprofits. And they would have to buy all the bonds, and the bank would be on the hook. It was called a “letter of credit.” So they—each of the nonprofits had to get a letter of credit bank to guarantee the bonds. The city was not a guarantor.

Absolutely, so—

RK: So the reason they wanted to go through you is to get the note for—so that the purchaser of the bonds do[es] not have to pay tax?

RI: Correct.

RK: Okay. Do sometimes companies come to you, or not for profits, I’m sorry—and ask for you to be a conduit but the city decided no to?

RI: There were, was a couple. Very few, but a couple. Most of them knew our criteria. Which was being a not for profit. We had a couple that were sort of like, on the cusp, so—

RK: Did you often—you mentioned that sometimes you hired advisors in addition to the underwriting firm.

RI: Right.

RK: And would that be for the larger bond issues—

RI: Correct.

RK: And refinancings?

RK: Right. Yeah. The technique that they would have that we would not have as good of access to was they could determine what was good interest rates at the time to make sure that the underwriter performed at the lowest interest rate possible. That’s the main reason why we would hire them. That they would—most of them had what they call a desk, like you’d hire somebody who maybe worked for [inaudible] and they could call their desk and say, what are interest rates today? And we could too, but we just don’t have that insight as far as you know, knowing for sure that you know, you—it’s almost like you’re paying for that information from that company to tell you that 5% is the lowest rate today. Go ahead and exercise them. And there would be a minimum amount we’d pay them. Rarely more than 10,000 dollars. Never more than 10,000 dollars, I should say.

RK: And were you able to do everything you did regarding bonds from Tampa, or would you sometimes have to go to New York or—?
RI: In the beginning everything, and even sometimes the attorneys we’d wind up using would be out in New York because Tampa had not matured at the time. And to sell the bonds, it’d all come out of the New York office, yes. Now you can do it locally with all the modernization and computers and, and some of them have their office locally that sell bonds. But in the beginning, you’re absolutely right. Many of them were in New York.

RK: Can you recall abruptly when that changed?

RI: [Pauses]. I’d say probably after 1987 would be the critical year—after 1986, starting in ’87 the laws became a little bit more rigid, but people became, they had to change their method and expand a little more.

RK: Because of federal legislation?

RI: Right. It was called the—oh, I forgot the letters—there’s an acronym for all those federal things.

RK: [laughs]

Is it true sir that cities cannot go into debt as far as operating expenditures?

RI: Oh yes, yeah, yeah. It’s got to be a capital purpose, you cannot use [it] for operations—state law.

RK: State law, Okay. Now are there limits of any type, legal limits onto what degree you can be bonded, the city can be bonded?

RI: That’s if you’re doing a general obligations bonds. There is a limit on GO bonds as they’re called. The city’s never done a GO bond.

RK: What is a GO bond?

RI: That’s, you’re using taxes to pay for it. The city always used the revenue source; like the water revenues, sewer revenues; most of the other bonds that we’ve been talking about, we had did a utility tax revenue, like the Convention Center, Performing Arts Center, we’d use that as a source. But if you did a general government obligation bond, you’d have to get—you’d have to do a, what do you call those things—you got to get it ratified. You got to send it out to the voters—I’m losing the term—

RK: Referendum.

RI: Referendum, thank you very much.

RK: Okay, but you never bothered with that?

RI: No.
RK: Are they seen as riskier, is that true?

RI: No, they’re better. Because you’ve got the, you’ve got the—currently all our bonds say *this is not secured by the full faith and credit of the city*. That type of bond would be dedicated by the full faith and credit of the city. School boards do many of those. But you’ll find very few beyond that. School boards, because they pledge some of their millage to a bond issue.

RK: And why does [the] city shy away from this?

RI: They figure it would not pass. And, a lot of the mayors, since it’s never been done, didn’t want to be the first.

RK: Has there been any difficulties as far as this dedicated source having adequate funds—bringing in adequate funds to pay the bank the bond issue?

RI: We’ve never had a problem. Never defaulted.

RK: If Mayor Freedman—well, we only had one new bond issue during Mayor Freedman’s time.

RI: No, there were some others, I just can’t think—we had a water bond. What was that project for? I believe we expanded the plant. I know we did. We did a water bond during her administration to expand the plant. And I can’t think of any others that was not for a particular project.

RK: Okay. The Convention Center is something that was initiated to her in Mayor Martinez’s—

RI: Now that went under her administration—we did issue that bond under her administration. But it was not initiated by her. That’s a good point.

RK: Can you tell us, Okay—because this, the Convention Center is something everyone is you know, aware of and familiar with of course—

RI: Right.

RK: Do you recall and I know this is going back some time, sir. Do you recall—it was complex, because initially had worked out an arrangement with Mack Harborside to build a Convention Center and a hotel, and that fell through. And then the city went ahead with the bond issue, just for the Convention Center I believe. So it was very complex and I never did understand all of the negotiations. And I know it’s very difficult to remember detail many, many years later. But can you tell us what you do recall about the Convention Center situation?
RI: What I remember is we did negotiate with Mack. There was one issue on—the issue that, that caused the city to go, to not do it with Mack? Mack wanted the city to pay for the infill of the land that went to put the office building there. There was going to be a hotel. It was going to be a convention center, those two buildings, and the land had to be infilled going out into the harbor, they hadn’t permitted—the question was, *who was going to pay for the infill of the land?* And the Mack people kept saying, *we want the city to, because they said they would donate the land.* And the city said, *we said we would donate the land, but it was the land that we already had.* And so it was just that little subtlety of you know, *who’s going to pay for that, that?* In addition to the infill you’ve infilled it, then you had to do a buffer. You had to do the seawall to reinforce it, so it wound up being quite a few million dollars, and the city says, *we’re not paying for it.* And they said, *we’re not paying for it either.* Because it just increases the size of the project, and it fell apart. So the city marched forward. I remember that part of the negotiations, thinking, *golly!* But that’s life!

RK: So—

RI: And Sandy got, Mayor Freedman got stuck with it because, we’d already spent over a third of the money and we spent it on land. And when we started, we had land prices at 75 dollars a square foot. When we ended up, we had prices at a hundred and—a dollar twenty five—125 dollars a square foot. And so the, the subtlety—and we were the catalyst, and so we all knew that we’d never get anybody to buy all the land back for $125, and we’d probably get everybody to buy it back for $75, which means we’d lose money, and so she said, *wow, that doesn’t sound good.* And so, and we sort of tried to estimate the amount of money that she could lose, and we gave her some numbers, and she said, *well, let’s proceed and hope it does well.*

RK: And the land purchases were during Mayor Martinez’s administration?

RI: Correct, we did them all during Mayor Martinez’s.

RK: Why did the price escalate so much with the land?

RI: I think as Mr. Russo said, you buy one and that’s, that’s the base, and everybody’s going to ask for more, more than one. So if you didn’t have them—that’s a good lesson that we learned—if you didn’t have them all corralled and all under contract of some form or the other, the minute you buy one, all the other people are going to ask for more. In fact I heard that the people that, at Embassy Suites, paid a lot more for it than that. And I heard a number of them, not going to quote, because I don’t know if it’s right.

RK: But it was high?

RI: I heard it was high.
RK: As I recall the Convention Center deal, and you might not have been involved with this part, another factor contributing to Mayor Freedman going along with it was that the city was already obligated for significant amounts of money in legal fees.

RI: That’s also true.

RK: And why did the legal fees, I remember they were not just thousands of dollars, I don’t recall the details—why, how did that happen?

RI: Well, all the attorneys that were involved on their side and our side wanted to be paid. And the ones on their side said their total was $750,000, and that was brought forward by the Mack people. And on our side we had people that were asking for at least $200,000, so you know, you had all that money invested, so—the resources to pay that extra million dollars was, was you know, hard to come by.

RK: But you had to pay for their side’s lawyers also.

RI: That’s what they were saying since we did not go through with the negotiations. They said well you, you know, you put us to task. Which there was nothing in writing to confirm that, so the city was able to—we didn’t pay anything to them.

RK: Oh, you didn’t have to pay for their lawyers fees?

RI: No.

RK: Oh I see.

And so you culminated the bond issue during the Freedman administration—

RI: Yes sir.

RK: And were they then later refinanced at a lower rate?

RI: Yes, yes.

RK: So you benefited from that.

RI: [sounds in agreement]

RK: Were you involved sir in any of the efforts to get a hotel to go along with the Convention Center? Ultimately you got one when Mayor Greco was in office, but there was some attempts prior to that. Were you involved with any of those?

RI: Two of them, yes.
RK: Were there any difficulties in terms of the possible bond deals that led them not to succeed?

RI: It was really just City Council. It was a tough issue that the last one that we tried, which was pushed by Smith Barney. And that was to have the city own the place and who would receive all the profits if it did well. And this one has done very well, but that’s not the issue, because I was, it was really Mayor Freedman’s decision. So everybody had everything ready and just went to City Council and the vote was 4 to 3.

RK: Do you have any idea why they voted it down?

RI: I heard a rumor but I don’t really know. I, I have no idea, no factual information.

RK: When I sometimes read about other cities and they speak about the finances and bonds, and bond obligations, they often suggest that those who handle the bond deals—I guess the underwriters, I guess that’s the term, often were the firms that had donated to the campaign so Mayors—you know, were politically connected.

RI: Correct.

RK: Has that been the case historically in Tampa as well?

RK: It happened during, until they came out with the MSRB which is the Municipal Security Bond Regulation arm. The answer is yes, they came out with the regulation which said that underwriters could no longer contribute. And I don’t remember the year of that, but it was, it was close to the ‘80s, it was at the end of the ‘80s, maybe ’91—after they did the ‘87 act to, to make sure you did extra things to ensure that the bonds weren’t—it’s hard to term, to describe—that they were fully, you know, they had a lot of bond issues that were not fully collateralized or fully secure. So they strengthened that, and then approximately four years later, I’d say in the early ‘90s, maybe ’91 or ’92, they came out with this MSRB that says, underwriters can no longer provide money to—directly. And then they capped it, you know, the state federal law came out with that as a different entity, different branch of the government. But MSRB came out with something that said you couldn’t do it period.

RK: Had Tampa often given the bond work to those who had contributed or is it just—?

RI: No, no, it was never done that way. Because I did not know you know, who’s giving and who was not giving.

RK: I see.

RI: And myself and a couple other people would be in the selection process of the RFP’s—of the requests for proposals.
RK: And it was based just on professional criteria?

RI: Correct, yeah. So there was no connection. Now, now we would run our decision by Mayor Freedman, but she never did change whatever we recommended, so you know, we would always confer with her.

RK: I see.

RI: And—

RK: Were there any earlier mayors that sometimes changed your decision?

RI: No.

RK: So it’s been professional.

RI: To my knowledge it was, yes. I, I did most of the—

RK: You would know.

RI: Yes.

RK: You also sir, oversaw the overall budget, is that, is that correct?

RI: I saw, I oversaw the accounting of it, yes sir.

RK: The accounting of it.

RI: Right. I did not formulate the budget. Freedman, working with another—now Louis Russo, the Finance Director would always do that.

RK: Okay, but you did the accounting.

RI: I did the accounting.

RK: Now many people—

RI: Now, now I did have the responsibility of making sure we didn’t overspend as well as the budget department.

RK: Do you, obviously [it] is a constraint on any mayor, or potential constraint—as far as what the budget looks like, that can allow the mayor to undergo [or] initiate certain projects or not—financially speaking, allow certain projects. Do you recall when the Freedman administration first came into office what the fiscal or budgetary picture looked like? In other words, was there a fair amount of room to potentially spend more,
or was it very tight?

RI: It was tight when she came in. It was the main reason—and it became tighter as she went along. In the beginning it was probably just fine, and then when the bond issue—the one on the Convention Center, there was a provision in there that, that we had to use utility tax, and utility tax was sort of our back stock for our general fund. And the money was, it was quite large, and it was about 14 million dollars. And we were estimated we’d maybe would only use about 10 million of it so. And so that coming along was shock to our budgeting process because it was—at that time, I would have said, I would ventures like 12 or 15 percent of the budget. It had an affect of you know—

RK: That much?

RI: Yes, yes.

RK: But that sir was all from the utility tax, is that true?

RI: Yes.

RK: So was it 12 to 15 percent the utility tax, or of the entire budget?

RI: Of the utility tax, at that time it was probably half of the utility tax. But then the utility tax had other bond issues that were pledged or obligated to it. So it was, I think were at about 30 million dollars of utility tax—maybe not quite that much—28 or 29 [million]. And 14 to 15 [million] of it was, was for this bond issue. And she was saddled with that.

RK: So that limited any potential for new bond issues?

RI: Correct.

RK: I see.

RI: And now when we did the refunding, we got the debt service down to 13 and half million dollars a year.

RK: Do you recall sir any other projects being considerate that would have necessitated bonding but didn’t go ahead because of the obligation to the convention center?

RI: There’s always the traffic ones, you know the roads and streets, to improve those. And basically we did one small one. Well she—I know we did the refunding—it’s called a gas tax bond that did all our road work, a lot of our road work, excuse me. And I don’t remember if we did another—we did another one but it may have been during Greco’s administration—it was during Greco’s administration that we did another gas tax bond issue.
RK: So therefore the money dedicated to pay back the bond was from the gas tax?

RI: Right.

RK: I see.

RI: So, but we could have used utility tax, we could have used any other source. But gas tax was a definite. Use it for roads; it’s in the requirements of the state legislation. But you know she could’ve used utility tax, it just wasn’t sufficient then.

RK: I see, I see. Many people look at convention centers, not just in Tampa, but throughout the United States and wonder if they are beneficial, from the city’s perspective. And there’s many ways you can look at that, of course but just in terms of the financing of it. Did revenues come in from the Convention Center that in some way offset your obligations?

RI: They never did, until John Moors now runs the Convention Center. Since he’s been there, and I think he’s on his fifth year now. He has turned a profit which made not enough to cover the debt service; I don’t think anybody ever will. Now whether you get the peripheral benefits, you know, that would be an economist who would forecast that or predict that, or project. He has turned a profit that’s varied from anywhere from like $400,000—I think he did a $1.3 million one year. So he’s done a good job in the last five years. So that means you got ten years where you were just barely you know, making your operating budget. And, but he’s turned a nice profit—or just slightly under your operating budget.

Most of the times when they get—they don’t lose a lot because if you see you’re starting to lose, you adjust everything, you know, you adjust people, how they work. So every manager who’s been there has done a good job of not losing you know, an astronomical amount of money, just small.

RK: But when they have a profit, does that go into further advertising, or whatever?

RI: It goes back into the general fund—

RK: It, oh?

RI: Which means [inaudible]. Since the U-tax and the general fund are connected, it benefits the U-tax, utility tax fund. Typically the way our budget is done is you got the—you do the general fund, if you’re running short for the bottom line, pull some money from the utility tax fund, which you can. And then what you’re doing is, once you get to the utility tax fund, you say, these are all for capital projects and debt service, so what capital project am I going to come out, so I can keep [inaudible] around, or do I eliminate people?
RK: I see, so the Convention Center brings in a profit, they don’t just keep it automatically in their budget, it goes to general city revenues, and then annually the Convention Center is budgeted just as is the police department and so on?

RI: Yes sir.

RK: I see, Okay. Now the Performing Arts Center is different, or am I wrong?

RI: It is different, completely different. They are autonomous and you could consider that a conduit bond, but it wasn’t, that was not a conduit bond. The city issued it, said you people run it. Okay? And then that’s the way the Aquarium’s structured now since the city did a second bond issue. We did one—no, no, we did a conduit bond to do the Aquarium, then we came back under Greco’s administration and did another bond and bought the Aquarium. Now the Aquarium and the Performing Arts Center [are] exactly alike. They both run independently and they come to the city for any shortfalls.

RK: And is the city obligated to the provide to them?

RI: They are currently in the Aquarium bond, there’s language in there that says they’re supposed to assist them in shortfalls. In the Performing Arts Center there’s no language like that. The Performing Arts Center just says, you leased the land from us and run it. That’s the way the zoo is also—you lease the land, and you run it. So there’s one dissimilarity—the Aquarium bond has a little caveat that says we will assist you. The other two do not.

RK: I see. So is it true from the taxpayers perspective that the Performing Arts Center is not costing the tax payers money annually?

RI: We still send them money.

RK: Oh I see.

RI: Yeah, they’ve come and they’ve gotten $750[,000] this year—

[End Tape 1, Side A]

[Tape 1, Side B]

RK: Okay, we were speaking about the Performing Arts Center [and] the Aquarium. Can I just ask a little bit more about the Performing Arts Center? Because I think there’s people interested in it.

RI: Right.
RK: So there was a bond issued, that’s now being retired, correct? And it’s generally the Performing Arts Center that is responsible for paying back the bond, is that true?

RI: No, the city pays the bonds.

RK: Oh, Okay. So the city, every year, is paying back the Performing Arts Center bonds, and that’s a contractual obligation?

RI: Correct.

RK: Okay. Then beyond that, sometimes the city chooses to subsidize the Performing Arts Center for operating, is that true?

RI: Correct.

RK: I see, Okay. And that’s something that’s not contractual but—

RI: No, that is not contractual, it’s open-hand sort of like—

RK: And who actually owns the Performing Arts Center?

RI: The city.

RK: The city does. It is run by a not for profit board, is that how it’s worded?

RI: [Sounds in agreement]

RK: I see.

RI: Same with the zoo. The zoo—we own the zoo, and the zoo board runs it. The Aquarium we own, and the Aquarium board runs it.

RK: Okay. And there we have some type of contractual obligation to help out with operating, is that correct sir?

RI: Correct, yep. And that, in that agreement with them we have a little—the first two that I mentioned, the zoo and the Performing Arts, it’s more like a lease. And I think they’re pretty long, like 50 year with renewals of long periods, but anyway. And then, this, the Aquarium is a, was and still is, it’s a five year operating agreement, that says we will assist you.

RK: I see.

RI: Those [the zoo and Performing Arts] we call lease agreements—management agreements, this one [the Aquarium] we call an operative. You know, semantics in the title.
RK: I see. And the Performing Arts Center sir, does that revenue to retire the bonds come from the utility tax is that—?

RI: Well it comes mostly from the utility tax; we also have another revenue source for that one.

RK: Okay. And the Aquarium is primarily utility tax, is that…

RI: Yes.

RK: True? And the zoo?

RI: The zoo is primarily utility tax.

RK: Has the utility tax sir periodically been increased?

RI: No. It’s at its max.

RK: Oh, it’s at a statewide max?

RI: Yes.

RK: State law.

RI: Correct, ten percent.

RK: I see, I see.

RI: And it’s at its max.

RK: And it’s the City Council that decides what the rate’s going to be, is that true?

RI: No, no. That’s—they often—they may have done the initial authorization, but I don’t know that. It’s been in place forever, ever since I’ve been there—that it’s been ten percent, and that’s the maximum rate.

RK: That’s it. Okay.

And if it, what—does growth help? In other words, Tampa has attracted new businesses and—

RI: That help.
RK: And so on. So the revenue increases over time in general, is that true?

RI: Absolutely.

RK: So that kind of is of assistance as far as meeting the modifications.

RI: Definitely, definitely, definitely.

RK: And has the general trend been upward do you recall?

RI: Oh yeah, oh yes. I don’t think if it ever went down it—I don’t think it ever went down. It might have come you know, pretty close to being level, but it’s always gone up, at least three to five percent a year, consistently.

RK: Does the county have a utility tax?

RI: No they do not. It’s mostly cities. You’ve got to authorize them, they never—

RK: And so is it true—and I know you don’t work for the county sir, I know you do not work for the county. But what do they use to back the bonds?

RI: They try to use different revenue sources like we do. They have people called the “red techs.” The resort tax that they’ve done with a lot of sports facilities and to do different things with the stadium for an example. But they—that wasn’t all, they helped in the stadium. They helped in the arena using that, the resort tax.

RK: Does the city sir have obligations regarding, what’s the latest term—the Ice Palace? (I don’t think that’s the latest term.) The hockey arena.

RI: Yes. We have, we did two different bond issues for them. One of them was a tax exempt bond and that we pledged our parking revenues, and it’s for stadium—functions, you know, we keep track of the revenues when they have a function and give that money to pay for that service on that bond issue. It is about ten million dollars. We also did another smaller one for—they have a seat surtax. So when you buy a ticket, you pay an extra quarter, and that goes to the city to pay another bond issue. And if that’s not sufficient, if the quarter’s not sufficient, we got to find monies out of our general profits to pay the difference.

RK: For the—

RI: For both of them really. If they have a parking function, and suppose they’re not in the playoffs, we may pay out of, you know, out of the—and the average debt service on that is $750—it’s a million dollars. $750[,000] on the parking piece, and 200— did I say that right? Yeah. And $250[,000] on the other piece, the surtax. And that bond issue—the whole conflict was complicated. The, the people that owned the—what do you want to call it now? [Laughs]. Is it the forum?
RK: I guess the St. Petersburg Times Forum. Am I correct?

RI: Right, yes. The people that own the Forum, when they first did it, they had to do a bond issue; we did two bond issues. They had the state’s sixty million dollar pledge to do a bond issue, and the county did two bond issues. So we had six bond issues to just build that facility.

And anyway, back to your question. So we had a parking piece, and we had our surtax piece. And together they combined for a million dollars. If each—either one of those, on an event night falls short, the seat or the parking, the city’s got to make up the difference.

RK: Right.

RI: [inaudible]

RK: Does that often happen?

RI: Consistently it’s happened. In anywhere—the most I ever saw was like $158,000, something like that. You know, it could be $100,000 one year, you know but it’s—until they went to the playoffs, it was tight. And once they went to the playoffs, everybody’s happy. The parking department said, hey we made money! We didn’t have to pay them! [laughs]

RK: And what about Raymond James Stadium? Does the city have an obligation?

RI: Yeah, we have two little ones there also. Yes, and we pay for them out of our utility tax.

RK: Is there any trade off as far as from a citizen perspective? In other words, if the city undertakes different capital projects, whatever they might be, does that potentially at least decrease from the level of services that the city’s able to provide to neighborhoods whether it be police, fire, or whatever it might be—or are they completely separate?

RI: I think each mayor and the city itself has done a good job of keeping them separate because of the two funds, the utility tax, and general fund. And the general fund never subsidizes a project. The general fund is funding for people. And the—so far it’s been pretty much, that when I think people do their budget to provide operations, and the only downside is if, if they economy goes real bad, and the funding for the general fund goes down, then there’s probably not enough for the utility tax fund to make up any shortfalls in the general fund, and that’s happened in the Freedman administration. In ’91 we had to eliminate positions and—and some years, what we usually do when, when you notice that, is we, we try to put you know, cost constraint. She stopped traveling, you know, other mayors have done other things like freeze hiring. You know, if you lose a position you can’t hire it unless you go to like a group of people that say, it’s justified. And many times, we’ve exempted fire and police from that freeze. Consistently that’s been the
practice of the city. Just worry about fire and police, you know, all the other functional things that provide services that are you know, important, but not as important as police and fire. Like recreation, parks, administrative like my staff could—you know, I’d be sitting maybe a year or two without filling a vacancy.

RK: And ’91 sir, was that mainly to do with the national economic downturn?

RI: National and now they think the housing was starting to go back down then, and it was just—and that, yeah, I’d say that. If my memory’s right then—but that goes back [laughs].

RK: [Laughs] This series of interviews we’ve been conducting has been with people who were in office during the Freedman administration. I wondered, and you served with several mayors. I guess you started with Mayor—?

RI: Poe.

RK: Poe. Okay. So Mayor Poe, Mayor Martinez, Mayor Freedman, and you stayed on with Mayor Greco and to some degree with Mayor Iorio, though just the beginning.

RI: Correct.

RK: Is there anything you can say about the period when Mayor Freedman was in office, regarding how she managed your operation, or just—what are your general operations regarding Mayor Freedman as a manager or as a mayor for that matter?

RI: As a mayor, she was, you know, I’ve always thought that when I think back over the five different mayors I would—she’s the best. You know, she was by far, you know—she’s got a very excellent memory. You know, she remembers everything about you just about, and she is cordial to, to all the staff. Then I’d say Greco was the same sort of cordial type person, just you know wanted them to, to do their best, and Freedman also. And Martinez like Iorio you can see that he had a goal to advance, so those two mayors you can, you could sense that you know, I hate to put it this way, but I—you just feel like you didn’t mean as much to them as a person as the other two people. And Poe was excellent too, Poe still says hi to me. Mayor Poe was good, I think he was just a, a very social, common, you know, did not have objectives to go onto another level of, of government.

But I think you could sense that, once you were around the mayor, you know if their goal was to just, you know, do their job and get it done. People have mentioned that, Freedman just had some sense that you can derive from her. As far as managing, she had meetings just before the budget time where she’d invite each department in, and they’d bring anybody they’d want to. And she’d bring other people in, I used to go to those. And anybody could attend them, and it’d be managers and she’d—that’s how she got to know them. And Martinez also did that, but he limited the number of people that would visit with him.
So she was very flexible, she had her points that she was very concerned about and would not budge on. You know, she wasn’t here to benefit a developer or anything like that, you know she just wanted—I thought one of her biggest goals was to improve housing, and that is—I think everybody knows that.

And when she took away police cars—I’m getting off on a tangent here, but when she took away police cars I don’t think she was trying to hurt policemen, she was just trying to save the money because it was [an] internal audit done up, that probably said, you’ll save a lot of money at that time, and that’s when she was hurting for dollars.

That said, I think she’s by far one of the better ones. You know, very good, had a good head, could make a decision and make, in my opinion, sound decisions.

RK: So she was very detail oriented?

RI: Yes, in fact I discovered that when she was on City Council. She was one of the few who, who would probably read all the documents and had, you know, pertinent questions for every conflict that came across you know that, showed that she had read them.

RK: Can you sir mention some other members of, I guess, I don’t know what term to use—the financial team people—who focused on finances of the city when you were in office during the Freedman administration? Who would the others be?

RI: It was Lou Russo [who] was probably key. He was the Finance Director, that was my boss. Prior to that had a gentleman named Ken Summer but that wasn’t during Freedman, so it was really Russo was the key. And there was a guy named Desolay [?] who started off, he was good. Then there was Jim Stefan. And beyond that, there was just probably the three of us, and she would also talk to the City Attorney at the time, whoever that was—who was Fogerty for a period and became Pam Aiken to get their perspective legally on financial type things. And then there was a gentleman named Sam Hamilton who was the attorney on the—who worked for Pam who had good ability when it came to financings, great ability. He had a good financing sense. So I’d say of those people, the keys were Sam, myself, Lou and Jim Stefan.

RK: Does any interaction sir with other Florida cities to try to share ideas or experiences, or did the Florida League of Cities ever get involved in a sense of, again, trying to share what other cities were doing? Did that ever make a difference?

RI: On finance things? Not too much. But on general things like, I’ve always been a member, I helped organize a couple of conventions during her tenure here. And became good friends with most of the people there. I hadn’t talked to [them] for a while, but anyway—they would try to influence us on some of the products they didn’t mention to us and we look at them were, flexible spending account, which are the—you probably have one too—you know, where you get the pretax money to use for your, I mean for your drugs and doctors visits. And we used that idea. These were subsequent, but they,
some of them started in her administration. So the Florida League did send, you know sort of professional people to talk to about other cities.

RK: But for the most part it was Tampa experiences?

RI: Correct, yeah, yeah.

RK: Well, I very much appreciate your coming to speak to us about a complex subject, but, one that obviously is very, very important to all the citizens, so thank you sir.

RI: Thank you, hope I was clear.

RK: Oh you were, thank you.