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Lou Prida oral history interview by Robert Kerstein, November 17, 2005

Lou Prida (Interviewee)

Robert J. Kerstein (Interviewer)
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RK: This is an interview with Mr. Lou Prida who was the internal auditor during the administration of Sandy Freedman. Thanks very much for speaking with me.

LP: You’re welcome.

RK: As I’ve already mentioned to you, I’m not an expert on auditing in any sense at all. Can I please ask a little bit about your background first?

LP: Yes.

RK: Were you born in Tampa?

LP: Born and raised in Tampa, Florida. Born in 1950 at the oldest—Centro Asturiano Hospital in Ybor City.

RK: What neighborhood did you grow up in?

LP: I grew up in Riverside Heights which was just south of, [at] that time Buffalo, King Boulevard now, on the east side of the river, on the corner of Ridge and Kentucky.

RK: And where did you go to school, sir?

LP: I went to St. Joseph Elementary School in West Tampa, Jesuit High School, and then graduated from the University of Florida in 1972.

RK: And were you an accounting major?

LP: Yes, I was an accounting major at the University of Florida.

RK: OK. And when did you start working for the city, sir?

LP: I started working in August of 1983.
RK: During the Martinez administration?

LP: During the Martinez administration.

RK: How did that come about? How did you get the position?

LP: Actually we, Mayor Martinez owned a restaurant—Café Sevilla, and we did the work, the firm did the work for Mr. Martinez in the ‘70s while he owned the restaurant. So we had, there was a familiarity and I was a very big supporter of Martinez in his run for, for mayor. His brother in law, on his wife’s side, Benny Marino, was a long time client of my dad’s so we were very supportive of the whole effort to, of that, of the family, of their family.

RK: And when you first went to work for the city was that as an internal auditor?

LP: Yes I was, at that time because they were having such a hard time finding and keeping directors. The, the city attorney was a part time position at that time, so they tried to fashion the audit department in the same way where the director would be—bring somebody with experience from, from outside on a part time basis. And we had a staff of nine audit people in, in house, they were full time auditors.

RK: And what did the responsibilities of the…

[Phone rings]

RK: And sir, what are the responsibilities of the internal auditor?

LP: The internal audit of the City of Tampa was basically to do operational reviews under, under yellow book standards that were formulated by GAL accounting office of the various departments. And how often those departments would get reviews would be dependent on a risk assessment that we would do. Some departments we considered high risk because of the amount of either budget, budget dollars that were allocated to them, or just the type of, if they were an enterprise fund which operated like a business. Just what type of inherent risks those departments had, those would get annual reviews.

Some departments would get every other year, some would be every third year. And then we had some departments that were just so low risk that we only looked at them about once every five years.

RK: And you wrote reports based upon them?

LP: Right we wrote reports based on those operational reviews.

RK: Now sir, did this include what some people referred to as “program or policy evaluation?” In other words, the programs that they were implementing—if they were
effective or not?

LP: Right. We tried to, we would look at internal controls and of course make sure that there were internal controls in place to conserve assets, but we also looked at the performance of each department to determine whether they were meeting their goals and objectives.

RK: Now did you sometimes face resistance from department heads?

LP: Oh, absolutely. When we, actually, when I went in there we kind of reconstructed the audit department, and from a processing standpoint. What we used to do is, when our auditors would go in and do their operational reviews, they’d come back with their findings and recommendations. Then we would have an exit conference with the auditees and the department heads. And of course, orally in a meeting, they’d agree to everything. And then we’d ask them for, OK, you know give us your written responses. And then we’d get the written responses, it was, usually something completely different than what was discussed in the meeting. So we changed our process around, in that before we would have an exit conference we’d give the auditees the findings and recommendations and ask them to respond in writing. So once we had their position in writing, then we’d go and sit in an exit conference and try to work out whatever differences we had. Whether it was, a scope limitation or whether it was factual information that wasn’t presented, or maybe the auditor missed it or—you know, just try to consider whatever we could consider in order to, to come up with a report that actually made sense in the context of, of the chief—at the time Mayor, whether it was Martinez or Freedman—in the context of what they were looking for in their operations.

RK: Did this change in process, sir, occur prior to the Freedman administration or afterwards?

LP: No, it, it was prior. Mayor Martinez gave, and also Mayor Freedman, actually Mayor Freedman gave us much more latitude than Mayor Martinez. Because Mayor Martinez would always, would sometimes, if we dug in too deep on, on policy, on findings and recommendations that actually were not an absolute—in other words it was, the principle, but it was a matter of style—he, he really didn’t want us interfering with management. You know he’d say, those are management decisions, don’t get involved with management decisions.

Mayor Freedman gave us much more latitude to be able to—because the focus during the Mayor Freedman’s administration was, number one, you know, we were, there were tough economic times during that period of time, late ‘80s, early ‘90s. [In] ’87 the stock market, we had a stock market crash; the banks were being thrown out of business. There was always a stewardship that she took very, very seriously to make sure the city was run like a business, and that assets weren’t, weren’t exposed or, or diminished, or, or wasted.

RK: When Mayor Freedman first assumed office, Mayor Martinez stepped down….
LP: Right.

RK: …to run for governor. Did she then immediately ask you to continue in your position?

LP: Yes. I had, I knew Mayor Freedman prior to her taking office. And she was at City Council and I had a very good relationship with her, she was always very supportive of the department while she was at City Council.

RK: And how would you characterize her management style? I got the impression sir, from what you just said that she would, kept a very close look at the money?

LP: Yeah. Yeah, you know she took her, her, her, responsibilities very, very serious. She looked at herself as a fiduciary to the taxpayers in the City of Tampa. And she certainly wanted to operate the city as much as she could as, in, a style that a private enterprise or a public corporation would operate in that, you know, we wanted to maximize value for the, for the tax payers of the city. Whether it was lower tax rates or you know, better quality of life—you know, whatever, whatever the issues were. Because you know, each neighborhood in the city kind of had different priorities, they had different values. So her focus was to, to pay back—to have a pay back to the city, to the neighborhoods in the city based on what their priorities were. In terms of their value system.

RK: And did that make it more difficult for you in a sense?

LP: Well, we were, we were really focused on, on, on departments is what we were focused on. We didn’t get out into, into the neighborhood situation but, you know, ultimately what departments do impacts neighborhoods. So we were always very focused on you know—were, were the departments accomplishing you know, the, the goals that had been set for them? Were, were they accomplishing their mission so-to-speak?

RK: Now I know this is a long time back, so this might be a difficult question sir, but can you think of any examples where [a] department was operating perhaps as it had been for several years and your recommendations brought about some changes that perhaps the mayor supported?

LP: Oh, I can think of a few. Obviously—some of the less controversial ones were, we were the—every once in a while we’d get, there would be news articles in the newspaper about Central Garage doing two thousand dollar brake jobs. And, or, having a front end aligned for exorbitant prices. And, and actually what happened was, is we, we went and did an audit of, of the Central, and had done several audits. And sat down with the mayor and explained to her that, that, that Central Garage was not an enterprise fund, it was a fixed cost. And, and therefore being a fixed cost, whether you did one brake job or you did 10 brake jobs, you would—that money was going to get spent. So if you had a budget of 10 dollars, whether you did one brake job, which, that brake job would have been 10
bucks, or you did 10 brake jobs, then the cost per brake job would be one dollar, you were going to spend the 10 dollars.

RK: IS that because of a contract?

LP: No, it’s just, it’s just the way it’s, it’s a city fund that’s a fixed cost. You set the budget at the beginning of the year and then they have to—they spend their budget. So it’s not like, you know, you, you anticipate how many brake jobs you’re going to do—there was not, you know that kind of thinking wasn’t, wasn’t going on. So the time the mayor was looking for some money, because the city was tight, Martinez had set the trend to reduce property taxes and keep them low. And she certainly wanted—and that was part of her fiduciary responsibility and she recognized it and it was, it was one of her core values that she wanted to maintain as far as being the mayor in the City of Tampa. And so she was, she was looking for ways to save money within the city. And so we suggested to her, Mayor, just cut two million dollars out of this budget. And you know, nothing’s going to change. And, and sure enough, I think the budget went from nine million down to seven million and she cut two million out, and nothing changed. Because, you know, they, they had access capacity. The fleet was a newer fleet, we had made some, some—which included police cars, and we had made some decisions about that, so therefore there was reduced cost from that perspective. And, and so really had, had no impact on, on a, on the operation of that department.

RK: Now that’s interesting. Did any employees lose their jobs because of it?

LP: They—the way Freedman approached it is she always did things through attrition. So, you know, so—and they had a very tight—and that was the other thing. She, you know, I, I, even in my private practice now, when I advise clients, I try to model—I try to advise them using her model. Because she was very, very tight. For example, if you wanted to hire—any department wanted to hire somebody—that had to go on her desk for her [to] sign off on it. So you couldn’t just fill positions because you know, it was in your budget. You had to show a critical need. So what happened, and so, so she never—from best of my recollection, she never laid anybody off, but she did, as, as people left through attrition, would not replace them. And would realign the priorities of that department to accomplish the tasks that needed to be, to be accomplished.

RK: You mentioned sir that you already made decisions regarding the police. Can you explain that?

LP: Well it was a funny week. The mayor came to me, she says, I need to find three million dollars in our budget. I think we were just finishing up the Convention Center at the time. And so I had a, a deputy director who was a full time employee by the name of Allen Nicks, who had, who was a long time city employee going all the way back to when Mayor Greco first started. [He] had been there since the late ‘60s, early ‘70s. So he walked out of the meeting and says, you know, I know where we can find some money. And I say, well, where? He says, you know, the—and we knew at the time that the sheriff,
Hillsborough County Sheriff had a policy that they, their, their policemen could take cars—their officers could take cars home, but not outside the county. They, they could drive to the county line, park it and then they’d, whatever—use their personal vehicles out of, out of the, from there.

So we did a big study on police car usage. And the exact details escape me today, but we came to the conclusion that there would be a material effect on cost and, and replacement of those vehicles if we limited police cars to, to the city limits. In other words, just the same policy as the sheriff. *Ken, if you’re going to take, if you want—if you’re a policeman and want to take your car home, you need to live in the city limits.* If you lived outside the city limits, then you needed to park at the city limits, drive home and just the same exact, mirrored the sheriff’s policy exactly.

So when we presented the report to the mayor, the police chief, and I can’t remember his name at the time.

RK: Was it Chief Smith?

LP: No, it was before Chief Smith. I can’t remember his name. Gosh, I can sit here and picture him, but I can’t remember.

You know, he, he flat out said, *Mayor, I’m not going to, I’m not going to police that. So if you’re going to, if you’re going to go to that limitation, my recommendation is to take the cars away from them completely.* So she, she, the big hit she took—or big criticism was, that she took the cars away from police officers. I don’t think that’s a fair criticism. In the back, [the] first thing you have to look in the backdrop of the economic environment we were in—there was limited resources, we were trying to make this a next great city. You know, there was, you know there was all sorts of efforts to, for people to put their nozzles in the public trough, and she was continuously kicking them out. And she had to, and from her perspective, knowing how she thinks from a fiduciary standpoint, she had to operate the city in the most economic manner.

Well, she had a department head that was unwilling to, that actually—she was, she was wanting to say, *OK, they can take them home, but they’ve got to live in the city limits.* And, which is really a fair—it mirrors the sheriff—it would have not have been out of, out of context, and it still would have accomplished her goals. But she had a department head who was unwilling to, to establish department policy and, and basically said, *nah, we’ll take all their cars away from them.* So, and Freedman was the type that would you know, if, if—she’d let her department heads run their shop. Especially if, if the, if they were going to run it tighter than she was. And so that’s how she took the hit. I guess you could say, *well, maybe she should have forced the officer, the chief at that time to, to institute that policy*—that just wasn’t her style. You know, she wanted her managers to be able to—she’d set limits. There would be guardrails, but she’d want them to operate within those guardrails. And so that’s kind of the story of how that happened.
RK: Do you know if the officers were aware that it was the chief who basically made the decision?

LP: You know, there, there’s a lot of politics in that department. It’s a very political organization, it’s a paramilitary type. So whether they did or not, you know, I don’t know, I don’t think it mattered. Because I think Sandy stood up and took whatever hits needed to be taken. The truth is it probably had an impact over, over her administration; probably had an additional four or five million dollars available for other things. And it—the times called for it. It was just, it was tough times. It wasn’t, it wasn’t an easy economic environment to navigate in.

RK: Do you recall any other examples of audits of different departments.

LP: Oh, gee. You know we did a parking garage one time where a parking director, the—his analysis of how much daily parking should be available versus monthly parking was based on social policy rather than some economic model that would maximize revenues. And I think there was, a million and a half, two million dollar impact of that over a life of four or five years. And I can go on and on. I know we did….

RK: Can I just ask, when you just mentioned social policies, sir?

LP: Right. Well, you know, obviously if you’re, if, if you have a public garage attached to your building, and you’re a tenant in that building you would like as much daily parking as possible, even if the parking garage goes half empty, versus a, an analysis where you monthly lease monthly parking. So you, if you’ve got a waiting list of monthly parkers, and you make a decision that we’re going to have so much—X number of daily parkers and Y number of monthly parkers. Because monthly parkers come in, they use a space, they don’t go in and out. They may go in and out for lunch, but it’s, it’s a reserved space.

The, you know, you have competing interests you know, in that buildings that are attached to that public parking garage would surely like that your daily parking be available as much as possible. Whereas the other, the, the bond holders of those bonds would like for you to maximize revenues. So you know, there’s a—without realizing it—people don’t realize that you sit there, and it’s just like a trust. You’re sitting in a public position as a public trust, as a fiduciary in a, in a trust situation, you have to, you have to navigate those competing interests. Too many daily parkers mean more revenues. You know, more monthly parkers means higher revenues, but less availability for tenants in the building. So there’s a balance and, and when you—you know, at the time I think there was a, a, huge waiting list for monthly parkers, and there was no effort made to you know, see, OK how much, how much, how many empty spaces do we have on the daily parking side, on a daily basis, and you know, how, so you know and what’s our peak demand to do an analysis to determine—do we have the optimal amount of monthly parkers? So you go through that, that analysis was never done. When we did do that, and actually ended up increasing, eliminating a waiting list for monthly parkers with very little impact on the daily side, and increasing revenues.
RK: So you’re an efficiency expert in a sense?

LP: Well, you know, efficiency—to a certain, you know—operational review covers a lot of things. Performance auditing covers a lot of things. You know, and, and there’s compliance issues that you have to, if you, you know, there’s rules and regulations that Council passes. For example the Convention Center needs to—management needs to follow. And you got to make sure that all those, all those decisions are made in compliance with, with rules and regulations. So one of the things that we, we always worked closely with the city attorney’s office because we were always having to get interpretations of, of you know, what these rules and regulations that were passed by Council. Or what city policies were versus what the employees, you know, the department heads, what their actions were to determine if they were in compliance with, with the rules and regulations. So it encompassed a lot of different things.

RK: Are these reports all public for anyone who wants to know?

LP: Oh yes, they’re all public. Hopefully they’re still around. I’m sure they’re around on microfiche.

RK: Mayor Freedman was known in part at least for her relatively successful—in most people’s eyes, you know, very successful housing programs. Are those things you looked at as well?

LP: Yeah, we looked, you know, from the housing side, there were a couple audits there, how the, how those programs were administered, whether they, you know, because there were federal grants involved, whether those rules were followed and, and she ran a pretty clean tight ship there. You know, there, you know and those, because of the technical, because there’s so many rules and they’re so technical, there are always little issues there. But I don’t recall any material issue that would have led, you know, to any kind of real, real problem.

RK: What other departments did you have to interact with other than the city attorney’s department to do your job adequately?

LP: Director of finance, Lou Russo, was—you know I have great affection for Lou. I thought he was probably one of the, the very stabilizing force in the administration. George Pennington as well. And, and, George was probably as good a Chief of Staff as, as you could find. He, he—George was the kind of guy that he, he earned your respect, and he earned your trust. And sometimes, because some of these audits would be contentious, I felt my job was to create a consensus or some support and so I was always testing the waters with Lou and George to determine, you know, what their—because I knew if it got contentious, and got into the mayor’s office and it continued to be contentious, Lou and George would come in the room. So I always, I developed a good rapport with them. And just to understand what, you know what the overall focus was on a daily basis. Because sometimes that agenda changed. As it, as it would in any dynamic
organization just depending on, on I guess, a lot of different factors.

RK: Did you get the impression sir that the City Council paid pretty close attention to your reports?

LP: Oh yes. One of the things I wanted to say I wanted to say when, when the, when Sandy was on City Council, she was one of the few Council people that did get it. She understood it. She understood government, she understood at least the audit process, and, and how important it, it was towards at least reaching a level of governance within an organization that was reasonable that you could rely on the data you were getting.

And Council, during Freedman’s administration, Scott Paine was another one that got it—and he was an excellent Councilman, and very, very supportive. The time I think Lee Duncan was there for a very short period of time. But I remember dealing with Scott and I forget who else—I’d have to recall who were the other [inaudible]. Scott was one that really, really stood out in terms of being kind of a cut above everyone and understanding what the issues were.

RK: He’s my colleague at the University of Tampa.

LP: Yeah, I understand that.

RK: And did he initiate or did Council more generally initiate any policy changes based upon audits?

LP: Well we’d always present them to Council. You know the policies were—changes came from the mayor’s office. Although we did reserve some time for special requests for audits from Council and did get those from time to time. And, and—but that was, you know, my recollection of those were, I, I’m sure if I had some time to be able to go back and study some of those things, but I’m quite sure those are, are not clear at this date. That was quite a few years ago.

RK: [laughs]. Was there any political grandstanding? I ask that question because at the county level today there appears to be some.

LP: By Council people?

RK: Yeah.

LP: Yeah, I think Rudy Fernandez was probably the bigger—he had aspirations of, of, of higher office and, you know—and I really shouldn’t mention people by name, but there, there are some Council people that you know need to be on a need-to-know basis only because they, they will, they will use your political currency to their advantage. And that, that is totally detrimental to the audit process.
RK: Sir, when Mayor, Mayor Freedman came into office to replace Mayor Martinez, you said, I believe—tell me if I’m misquoting you—that she gave you more “latitude”?

LP: Yes. Bob was, Bob was a nuts and bolts guy. And he, he, he wanted to stick, us to stick to more compliance and less performance measurement. And, and where, where Sandy was very interested in performance measurement as opposed—although she was very interested in compliance because she wanted to make sure no rules were violated. But she was always very interested in performance measurement. You know, two different styles. And, and principles very, very close—but definitely two different styles.

And although, I have to give Martinez a lot of credit—I wasn’t there at the beginning of his administration, but you know, being in the position that I was in, I recognize that when he came in there he took a potential deficit of about ten million dollars and turned that thing around, so.

When Sandy inherited it, it was, it was on solid ground. And, and she would—her term to me was great stewardship. Because she marshaled the, you know the building of the Convention Center, and, and that was a job that was done on time and on budget which was a rare occurrence prior to that in the City of Tampa. And you know, she was very hands on, and her staff was very—her senior staff was very hands on. You know all change orders were required to come before senior staff, and it was a staff of about twelve people. And so you had twelve eyes looking at this thing, and it was, the scrutiny was, was, was very, very tough.

RK: Do I remember correctly sir, when she first took office—or maybe after she was elected in ’87, was there a deficit right at that point that she had to deal with?

LP: Yeah, because the payment of the Convention Center kicked in. You know, and you haven’t—Harbour Island hadn’t been built out yet, I mean, you know, you just haven’t had the value in, in the city to carry that thing. So I mean, she was looking for dollars. There’s no question.

RK: Was there any point during her administration that finally she had maybe a little bit more flexibility because more revenue was coming in?

LP: You I think towards the end, you know, we, we got the Aquarium done. You know things started happening towards the interim. You got the, you know, ’90, ’91, ’92, we started coming out of the doldrums, interest rates started dropping a little bit. Stock market was a little better. So you got the Aquarium which, we got the Aquarium done. If I recall, at least the deal for the St. Pete Times Forum was in the works at that time. So that was, those things were happening. So yeah, toward the end, things started loosening up significantly.

RK: Sometimes people make distinctions among mayors, they try to classify mayors. And they’ll say, this mayor, for example, is more development oriented, wants things coming out of the ground. Another might be more interested in social issues of various
types. Looking from the purview of internal auditing, could you make any assessment regarding Mayor Freedman?

LP: I think, I think Mayor Freedman was very interested in the social issues. But she, she understood brick and mortar too. And, and if I have to, you know, if I have—you say, what kind of mayor is…? She was very responsible. And she took her responsibilities very, very serious. And you know, she….

[End Tape 1, Side A]

RK: …Oh no I already wrote a book….

[Tape paused]

LP - …ten seconds, ok.

[laughter]

RK: OK sir, I think we had a little trouble with the machine, but we were talking about development concerns on one hand and social concerns on the other.

LP: I think Sandy had a very balanced approach. I think she understood the economics and how important it was for the city to, to prime the pump so to say from a local economic standpoint, especially during that period of time. And she was also very concerned about the social side of it. Which was her, you know, setting up her monthly meetings at each neighborhood that they, they called the “mayor’s road show” where they go around each neighborhood and department heads, and solve problems

RK: Did you have to go to any?

LP: I think I went to one, only because I think they invited me to dinner to go after. But I wasn’t, you know, that wasn’t kind of—I was more of, of behind the curtains background player. Although sometimes there were, I can’t remember specifically, but I’m sure there were concerns that were raised during those meetings that came back and turned into what we would call “little capers” to go research some item in the city, what’s the department was doing and why they were doing it—to understand how we could, how the mayor could change that process. But you know, I, no, I was not part of the mayor’s road show at that time.

RK: In any of your audits did you ever, is one of the factors that you looked at, at all neighborhood impacts a particular program, whether it impacted one neighborhood more than another in any way?

LP: No, that was, of course there was always an underlying contention that East Tampa didn’t get as much as South Tampa but we never got into that. That was, that was never a, a something that we were asked to quantify. We were, you know, we tried to look at what
the missions were of each department and then determine whether they were accomplishing those missions.

RK: And I imagine, is it true sir that one could read your evaluations and look at some other information and maybe come to some conclusions as far as neighborhood impact? Is that possible?

LP: Well that’s possible. Probably on the neighborhood programs where you know the CDB—CDB funds, you know the development block grants that they had and things of that nature. But you know we were very focused on, on compliance issues and, and operational performance.

RK: Did you actually do a compliance audit regarding CDBG?

LP: I believe so. Probably that, that was probably annual. That was one of those annual, one of those ones we would do annually, because there were federal funds involved.

RK: And did you work with Mr. Wehling on that, or…?

LP: Oh, at the time, who was it?

RK: I think…

LP: Fernando Noriega was in charge of those things at that time.

RK: OK, OK. Can I just ask for your final, anything you want to say, in terms of your years with the administration?

LP: Yeah, I really could not have worked for—I’d work for Martinez and Freedman again. Very similar principles with two different styles. And you know, Martinez gave me the opportunity. And I think Mayor Freedman gave me the, allowed me to spread my wings to have some—what I would consider a very positive impact during some tough economic times at the city. And I’m, you know, I’m, I’m very—I have a great affection and for Sandy, and a great deal of respect.

RK: Can you tell us what you’re doing now sir?

LP: I’m a CPA, I have a practice that’s across a broad spectrum of clients and we represent quite a few families in the Tampa Bay area.

RK: And I understand you’re developing a building here on Franklin Street?

LP: Yeah. I, I’ve had to dab a little bit. I’ve always liked to build things so I’m, I’m actually developing a forty-unit residential condo project on North Franklin Street.
RK: I’m sure the mayor appreciates that downtown development and the efforts you’re making here.

LP: Right. Well, it’s been, I’ve been here since, the 19—I think I bought the building in September of 1980. Actually occupied in December 1st of 1984, so I’ve been here, quite, quite a few years.

RK: Thank you very much for speaking with me. I appreciate it.

LP: You’re welcome.