



CITY OF WINTER SPRINGS

For Immediate Release:

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For Media Inquiries:

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City Manager letter to Seminole County Clerk Grant Maloy regarding finalization of County audit

WINTER SPRINGS, Fla.-- On July 6, 2023, interim City Manager Phil Hursh sent the City of Winter Springs final response to Seminole County Clerk and Comptroller Grant Maloy regarding the audit of the City of Winter Springs Interlocal 3rd Generation Tax Allocation.

A copy of the letter can be found below:

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CITY OF WINTER SPRINGS, FLORIDA

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Philip Hursh
Interim City Manager

July 6, 2023

VIA U.S. Mail and Email at gmaloy@seminoleclerk.org

Grant Maloy
Seminole County Clerk of Court and
Comptroller
Post Office Box 8099
Sanford, Florida 32722-8099

RE: Response to Audit of Interlocal 3rd Generation Tax Allocation for the City of Winter Springs

Dear Mr. Maloy:

I hope this letter finds you well. I write to offer the following brief closing remarks related to your office's audit of the revenues and expenses of the City of Winter Springs' 3rd generation tax allocation.

Despite my explicit and repeated requests to your office, the "completed" audit report, which was executed and dated by you on May 22, 2023, has never been provided directly to the City. Instead, like the draft audit, the City learned about it after your office leaked it to the news media and other third parties, which adds further evidence to the politicization of this process by your office.

As a responsible local government and willing participant in this audit, the City of Winter Springs was completely transparent and had hoped for an unbiased assessment of our efforts to comply with your stated purpose of determining if the City's revenue and

expenses associated with the 3rd generation one cent sales tax are in compliance with the voter approved referendum, 2014 Interlocal Agreement, and Florida Statutes. It is disheartening to learn that although your audit report states your office followed “International Standards for the Professional Practice of Internal Auditing and the Principles and Standards for the Office of Inspector General,” your office did not even follow the most fundamental and basic auditing standard of providing the audit report directly to the City, the concerned party. This act alone undermines the integrity of the audit process and raises questions about the intentions and motives behind the leak. This breach of trust has only served to further the perception that the audit was conducted for ulterior motives rather than an objective compliance evaluation.

Furthermore, it is evident from both the draft and completed audit reports that your office was fixated on extraneous matters unrelated to compliance. Instead of focusing on the actual relevant terms and conditions of the referendum question, law, and Interlocal Agreement, as well as objective factual evidence related to revenues and expenses, your audit reports seem more interested in pursuing your office’s dissatisfaction with the manner in which Seminole County, the School Board, and the seven municipalities agreed to implement the 3rd generation sales tax as explicitly authorized by law. Moreover, your audit reports appear to be targeted towards satisfying some undisclosed political objective that is completely outside of the control of the City of Winter Springs. These obvious deviations from the purported purpose of the audit raise serious questions about the professionalism and integrity employed by your office. Hopefully you will understand that the repercussions of your office’s conduct extend beyond mere inconvenience and cost to the City of Winter Springs. They erode public trust in your office. It is not surprising, therefore, that the City has recently learned that none of the other municipalities in Seminole County are willing to similarly participate in your office’s audit process.

Nevertheless, it is worth noting that despite the politicized nature of the audit and your office’s dissatisfactions, the outcome of the audit essentially validates that the City of Winter Springs has adhered to the relevant terms and conditions of the referendum question approved by the voters, Florida Statutes, and the 2014 Interlocal Agreement. In fact, the manner in which the City utilized the 3rd generation one cent sales tax is consistent with the “Legal Guardrails Surrounding the Penny Sales Tax” dated April 13, 2023, which were recently published by the County Attorney’s Office to the County Commission. We are confident that the public, upon objectively reviewing the relevant legal requirements and findings, will recognize the integrity of our operations and dismiss the baseless allegations made against the City through the media which were fed, in part, by your office’s audit process.

In closing, despite your office's utter failure to directly communicate the results of the completed audit to the City, my office considers this matter closed.

Sincerely,



Phil Hursh
Interim City Manager

C: Mayor and City Commission
City Clerk
City Attorney
File