



with Clae Hack

Mike Mucha, GFOA's deputy executive director, spoke with **Clae Hack**, the chief financial officer for the City of Saskatoon, Saskatchewan, about leadership, making a difference in your community, how governments can take advantage of technology, and his progression from one of the smallest cities in Canada to one of the largest.

Mike: I'm looking forward to getting to know you. Let's start with a little background information on your current position.

Clae: I'm the chief financial officer (CFO) for the City of Saskatoon, Saskatchewan, and in that role, I have five departments in my portfolio. I have a corporate finance team that is responsible for budgeting, accounting, accounts payable, year-end reporting, and other traditional finance tasks. The corporate revenue team is responsible for utility billing, property tax, collections, and property assessment. We have Saskatoon Land, which is a somewhat unique feature for a city government—we are actually one of the largest land developers in the region. We bring land to market and reinvest profits back into the city. Since 2007, Saskatoon Land has returned more than \$140 million in profits back to the city to support key infrastructure and investments into our affordable housing program. We also have our Supply Chain Management team, who focuses on procurement and inventory management. The final department is Corporate Risk Management, which includes a team of one person that handles

our risk management planning and processes. Overall, the teams that report up to me include about 200 people. I am also a part of the city's executive leadership team that reports to the city manager.

That's an impressive portfolio and team. For comparison, how large is the City of Saskatoon, and what else, in addition to Saskatoon Land, makes it unique among other municipalities?

For the most part, our core functions would be comparable to most other cities. We have about 4,000 full-time equivalent employees serving a population of around 300,000, and we provide common functions—police, fire, recreation, transportation, and roadways. Besides land development, the other thing we do that would be unique to most cities is operating our own power utility. We run Saskatoon Light and Power, which distributes power to a significant portion of the city. They buy bulk power from the provincial provider and are responsible for its distribution within the city.

From my experience, the finance office in Canadian local government takes a slightly different focus than governments in the United States, and puts more emphasis on planning, strategy, and performance. Would you agree?

I'm not all that familiar with the structure or scope of finance within United States local government. I know that in my role here we do try to focus on being broader leaders within the organization. Because here in Saskatoon, we have those different teams under the CFO, it does provide the opportunity to branch out from traditional roles in finance, budgeting, and accounting. I definitely feel that we are a key strategic advisor to the city manager and council. We are involved on the ground floor of a lot of decisions that have financial implications for the city. That's one of the reasons why I really enjoy working in municipal government. I am involved in decisions daily that affect 300,000 people. It's not simply keeping the books.



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Speaking of being involved in decisions affecting the community, what are some of the biggest challenges facing the city right now?

We could talk for the next two days about challenges, but mostly, I think our challenges are similar to those of other municipalities. One question that we are always trying to tackle is how to deliver affordable high-quality services with an expanding portfolio. For us, that includes reconciliation, housing, and environmental sustainability. The post-pandemic period has stretched many citizens and businesses with inflation not seen in a generation, and we are no different. We are seeing some significant cost increases that hit at our ability to deliver service.

2024 was a very difficult budget year for the city. We tried to find the right balance between service levels and affordability. In going through the budget process, I'm proud of the work we did, but I'm not sure that job to make those decisions and balance competing priorities will ever be

done. Continuing to look at service levels, citizen expectations, priorities, and making sure we are efficient and effective will always be important. Each year going forward, I expect this will always be an important decision that we need to make and address with key stakeholders at the time.

Making budget decisions relies on good data. I saw that the city recently implemented a new enterprise resource planning (ERP) system. How did that project go, and do you anticipate the system playing a role in supporting decisions in the future?

When I first started with the city in 2015, there was a small group of us who saw the opportunity that a new system could bring. We were struggling with disjointed systems and no real single source of truth. I co-led an effort to bring together a business case to get the wheels off the ground for the project. After several years, we were able to invest in the project and move forward with acquiring SAP. I played a steering committee member role on the

project. I'm not sure you are ever really done with project implementation. In terms of the formal project, we delivered it very quickly. The city implemented finance, human resources, payroll, procurement, and asset modules in a 12-month period, which we completed on time and on budget. Because of the pace and aggressive timeline, however, we ended up with a much longer period working toward stabilization and are now involved with refining the system.

For gains, I agree that the biggest advantage of the system is having more and better data. We understand much more about our spending trends and asset data, and we can use this in planning and budgeting to guide being more strategic in procurement and our asset management plans. We were also able to improve our controls. Before the project, there was a general mindset that our controls were adequate—but implementing the system made us realize we had room for improvement. We have been able to re-deploy staff that were involved in data entry tasks into new roles to either perform more analysis or to support the new structure of internal controls that will help with cybersecurity and fraud prevention.

Anything that you would do differently if you had the chance?

We learned a lot during the implementation. It's easy to second-guess decisions. The one area that stands out to me is we should have spent more time on the change management process. Going into the project, we knew that we had a lot of legacy systems and processes and did not want to recreate our old system in SAP. Because many of our existing processes were not going to move forward, we didn't spend a lot of time mapping or documenting existing processes. When we started training on the new system, it was difficult to understand the change impact for users, and we ran into challenges. Looking back, I think it would have been helpful to have a clearer picture regarding the impact that transitioning from existing processes to new processes were going to have on the organization. We could then do a better job at communicating the change. When we went live, there was a steep learning



curve for a lot of users. We worked hard to address issues as quickly as possible and continue to provide improvement within the system, but there is some clean-up work that I would hope to avoid if given another opportunity.

Technology offers a lot in terms of transparency, but data and information are two different things. GFOA has tried to get finance officers to think outside the box when it comes to communicating financial information. Our current fiscal fluency initiative carries on the work that you were involved with a few years ago at GFOA, related to developing recommendations for online transparency. In your opinion, how is technology changing the way that governments communicate?

I enjoyed working on GFOA's online transparency task force. It can be difficult to set aside time to focus on one particular topic, but serving on the committee really provided that opportunity. We were in Chicago for one of our meetings and I probably learned more about transparency during that one meeting than I did up to that point in my career. It's easy to get stuck in the weeds of an issue, but taking a step back and working with peers and experts at GFOA can really help you understand the issue from different perspectives.

With public-sector transparency, there will always be demand for more and more—but I'm not sure that's what the average citizen wants. There are real challenges to information overload. There is also so much misinformation, and it can be difficult for someone to ensure they are getting the correct info and facts. I do believe that open data is good for government and that, for the most part, governments do a good job. As leaders, we should encourage it. I also think we need to do a better job at connecting with the average citizen who doesn't have time to read a 100-page report or download a large dataset.

In Saskatoon, our traditional approach has always been to provide a news release with key messages along with our reports, and then let our audience decide what information or facts are important to them. While this is a foundational approach, However, with the existence of so much misinformation, the effectiveness of that strategy is waning. We now try to be more purposeful and direct with our messaging on social media and other channels. We also try to use common language. In my view, one of the biggest challenges is that your average citizen is busy with life and doesn't have time to tune into everything the city puts out.

Challenges in the media industry also have an impact on local government



transparency. With strained resources and in some cases reduced resources within local media, they also don't always have the time to understand the intricacies of all civic issues. More and more responsibility will be on local governments to communicate directly with citizens and avoid misinformation.

Is that something you spend time on now, working to communicate finance information directly to citizens?

Overall, the city does a great job of providing information through our website, including financial reports and our annual *Service, Savings, and Sustainability Report*. Finance obviously supports those initiatives, but we also have a great communications team. I do also get grilled by the guys at hockey every week, though, and do my best to provide truthful answers. They always seem to do their research on municipal issues right before the weekly hockey game and are ready with tough questions on the budget, snow removal, or other pressing city issues.

Where do you see the next technology innovation in government?

I'm interested to see where artificial intelligence (AI) goes and where it plays

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into finance. I can see a lot of value in proactive analytics for scanning datasets for trends. Right now, we have people manually go through our procurement spend and find opportunities to deliver a more strategic procurement approach. Using AI to do that work could be an opportunity to increase the level of analysis and do so more efficiently. It seems like there are other data entry tasks, report writing, or research that could be improved with AI. We don't have any formal initiatives at the city, but some staff have begun playing around with its functionality, especially for research. I'm interested to see where this tool will go for municipal government and how it could potentially align with our SAP system to enhance the usefulness of the vast amounts of data within the system.

I saw that the city has been successful with another project, implementing a social procurement strategy that focuses on indigenous procurement.

Can you share some of the successes of this effort?

Social, equitable, and indigenous procurement has been a key priority for the city, even before I started. While we've made a lot of progress, I wouldn't say we are ready to declare success just yet. We've been able to build a foundation, including making updates to our procurement policy, transitioning from a focus on low cost to best value. We also developed a protocol for indigenous procurement. This provided specifications for indigenous and equitable spending. Throughout our entire effort, we had the support of the council. Our director of supply chain and procurement worked with me and other leaders from across the organization to add new tools and strategies for us as a city. We now have the ability to provide direct awards to indigenous-owned businesses and to look for opportunities for set-aside contracts. We have also greatly

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increased our education efforts, both internally and externally, with the goal of building social procurement into the strategy and working to grow our pool of potential vendors. While we aren't there yet, our council has identified a target of five percent spend with indigenous-owned businesses.

That's great, and it shows how procurement professionals can help align their policies to support overall organizational goals. As I participate in training and conferences related to public procurement, one challenge that always seems to come up is finding a way to get procurement a seat at the table. It seems like you've been able to accomplish that with this project.

We are definitely trying to grow the procurement office in that direction. It wasn't long ago that the focus was on shuffling paper and simply getting requests for proposals (RFPs) out the door. We're trying to bring a more strategic approach to how we do procurement at the city. This means planning for procurements earlier to ensure that operations get the products and services they need, we focus on getting the best value, and we're not running into issues after a procurement has already started. By having procurement professionals and operations at the table earlier in the process, we can address key questions such as: What is the best way to go to market? What risks does this procurement have? What opportunities could we include for indigenous procurement? This ensures our procurements are set up in the best way to maximize the value to the city. We don't have the resources to do that for every single procurement, but starting with a few key or high-profile procurements

each year is a good way to begin to change the culture and profile of a city's procurement function.

Let's transition to talking about your career. Before starting as director of finance for the City of Saskatoon, you served as finance manager for the City of Warman, which has a population of 10,000. Do you feel that you were prepared?

I do. When I look back at my time in Warman, I'm glad that I had the opportunity to learn as much as I did. I think if I had started in a big city, there would have been the risk that I would get siloed into a specific area. Big organizations obviously have more people and much more specialization. At the City of Warman, I was able to have a broader impact and insight into a variety of areas including finance, customer service, planning, economic development, and bylaw enforcement. It gave me a good foundation and I was able to understand and appreciate the broad scope that a director of finance or CFO has. Being much closer to those functions in Warman, I think I better understand how all the pieces of a bigger organization fit together, which has helped me in Saskatoon.

What is the biggest difference about working in a small government versus a large government?

There is obviously more complexity in a larger organization. The portfolio is larger and from an affordability perspective, I think bigger cities are just able to do more. However, I think there are probably more similarities than differences. I used to joke when I started in Saskatoon that many of the same issues were present in both

cities, but in Saskatoon, there were just a few more zeros at the end of the numbers.

Was it always your goal to become a municipal CFO?

I graduated from the University of Saskatchewan and started working for Deloitte. However, I knew that kind of work wasn't for me. I wanted to be in leadership and doing something where the work had more impact on stakeholders in the community. After I got certified as a chartered professional accountant, I applied for an opportunity to work as finance officer for the Rural Municipality of Corman Park and got it. It wasn't until after I was involved in the public sector that I really appreciated the level of impact I could have on a community and the personal and professional fulfilment it brought to me. From there, my career advanced organically. At the time I took the job in Warman, I was living there and thought it would be great to continue doing the work I've enjoyed so much and to work less than five minutes from home. While there, I met and connected with the CFO from Saskatoon, and within a couple of months an opportunity at the City of Saskatoon was available that I was lucky enough to get and continue my career path on an even larger scale.

Your rise up the career ladder has been quick, going from your first job to CFO in about ten years. I don't have any official statistics, but I would guess you're one of the youngest CFOs for a city the size of Saskatoon in the United States or Canada. Any advice for someone just starting out now and with similar career goals?

I don't think I have anything too prophetic. A piece of advice that has served me well is to have a vision for your career and ensure you are building your skills to chase that vision. You never know when doors will open, but you need to be ready when the opportunity comes up. In school and early in your career, it's easy to be overly focused on the technical side of public finance. If your goal is to become a technical expert, there is nothing wrong with that, but for professionals with leadership expectations, I think you can make the mistake of focusing too much on technical skills and ignoring the softer

skillsets that are critical to leadership roles. I would recommend that people interested in leadership positions focus on public speaking and communications, emotional intelligence, change management, strategic thinking, relationship building, problem solving, and other key leadership skills.

As you prepared for leadership positions, how did you work on refining your leadership skills?

I'm always open to formal leadership development opportunities, but for the most part, I relied on experience and on-the-job training. I had the privilege of great leaders before me and was aware of how they approached change and leadership challenges, and what they were successful with. I was able to leverage their approaches to build my own toolbox and adapt strategies to fit my style. As a leader, I also realized that I have people under me who are smarter and more technically skilled than I am at times, and I've focused on how to best build a high-functioning team working toward a shared vision. For some people, I can see how they move up in an organization with superior technical skills, if that is the skill gap an organization is missing. For me, I focused on relationships and being able to bring people together. In my career, that focus has been a great fit for what each organization has needed at the time. In a way, there is always a little bit of luck involved, too. You can't always control when opportunities are going to arise or if your skillset is the one that is needed at a particular time.

That's a good point. I would agree that luck plays a bit of a role. In my career, I know that I benefited from mentors who encouraged me to take risks. Sometimes it would work out, and sometimes it didn't—but I was able to learn and move on. It seems like your career has been similar. You haven't been afraid to take a few risks.

Definitely. I do know that you need to take risks and try new things. I've always felt that if you want to be in leadership, you need to be able to leave your comfort zone. Whether it's public speaking or venturing out away from a group of people you may have started with in an

organization, taking on a role as project manager, or taking a chance on yourself in a new opportunity, I think it's good to challenge yourself. As for risks, I'd be lying if I said my heart wasn't pounding when I decided to make the jump from Warman to Saskatoon. Coming in as a young director, I, along with everyone else on the team, was aware that I didn't have 25 years of experience like the previous director. In hindsight, that was a risk, and it put me in an uncomfortable place. But I knew I wanted it and was confident in my skills. A once-in-a-lifetime opportunity only comes once in a lifetime, and you shouldn't be afraid to take on the challenge if it aligns with the vision you have for your career.

Having confidence in your abilities as a leader is important, but it's also important to win over your team. How did you approach gaining the trust of your new team?

I've seen a lot of leaders come in under pressure to be the leader right away. Instead of trying to make quick decisions, I appreciated that there was a learning curve. Be patient. Listen. Take the time to learn and understand the culture, existing relationships, and the organization. If I came in guns blazing to make change, I don't think that would have worked in the long term. For me, I really wanted to understand the people and the processes. I also wanted to understand why. From there, I felt like I could start building trust, making changes, and adding value. If I had one piece of advice for new leaders, it would be to take the time to understand the people in the organization and the culture you are coming into before making widespread changes.

Now that you're in your third year as CFO, can you assess your progress in getting your team to align with your vision and implement your style of leadership?

We are in a good place. I really like the composition of our leadership team. I've seen other organizations where there is a lot of siloed decision making. We have a very collaborative culture where we bring in the finance expert, legal expert, and operations expert. I know that finance can have the perception of being

the "no people." I think organizations need to change the culture where finance is seen as working to provide solutions and finance can be the group to help bring others together under themes of prioritization and resource allocation. Collaborative culture working toward solutions is ultimately how we can have the biggest impact for our community.

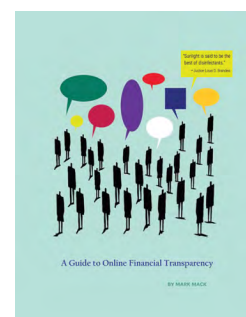
I think it's important to understand the real impact that finance can have and the value that work adds to the community.

That is a unique element of working in local government that I love. I can see the impact of my work. Recently, I was driving with my two kids, who are eight and six years old. They know I work for the city, and when we saw a construction site they asked, "Dad, are you building that?" And while I am not directly involved in managing the project, I did have a role in planning for it, and it feels good for them to recognize that.

Very cool. You may be the first municipal finance officer to steal the show at the elementary school career day.

It's always going to be tough to top the police officer or fire fighter at those career days, but I'll give municipal finance officers my best shot! I do really appreciate that my kids know what I do, and others in the city see the value that finance has to offer. 🙌

Mike Mucha is deputy executive director for GFOA and director of GFOA's Research and Consulting Center.



➡ TO LEARN MORE...

Check out the GFOA report, A Guide to Online Financial Transparency, at gfoa.org/materials/a-guide-to-online-financial-transparency