

TRAINING SEASON

AI might be the smartest coworker you've ever hired, but ultimately, you own the outcome. The key to putting it to work is knowing where its role ends—and human judgment begins.

BY ROBERT J.F. WIDIGAN

AI is not just a tool or software. Excel doesn't challenge your assumptions, and a database doesn't push back on your framing—but AI does. You draft something, and it critiques it. You edit it, and it pushes back. You debate it, it counters, and eventually you sign off. We treat it like the smartest coworker we have ever hired.

But it comes with a catch. AI is not answering to the mayor, the city council, or the public. You are.

You have to be responsible. If you let AI draft, build, edit, and submit, or if you let it replace the human, you will get burned. You will have a credibility and trust issue. In our shop, AI hasn't replaced a person or a job posting. We still need entry-level team members. What AI actually does is take a lean team and make it more efficient, stronger, and more confident.

I get asked about this a lot. "What is your AI policy?" they ask. I used to be bullish on this. I would reply with, "What is your Excel policy?" adding that all of this is governed by your existing human resources (HR) or technology policy.

But I will admit that isn't the best response if you want to convince folks to use AI. I recently spent a week with

a group of finance professionals in GFOA's Leadership Academy. While talking AI with a fellow cohort member, Emily Foote, chief financial officer for Five Rivers MetroParks in Ohio, looked at me and said, "I see your point, but that doesn't work when you need to make folks feel comfortable with AI. Even if you simply recreate your existing technology or HR policy and call it an AI policy."

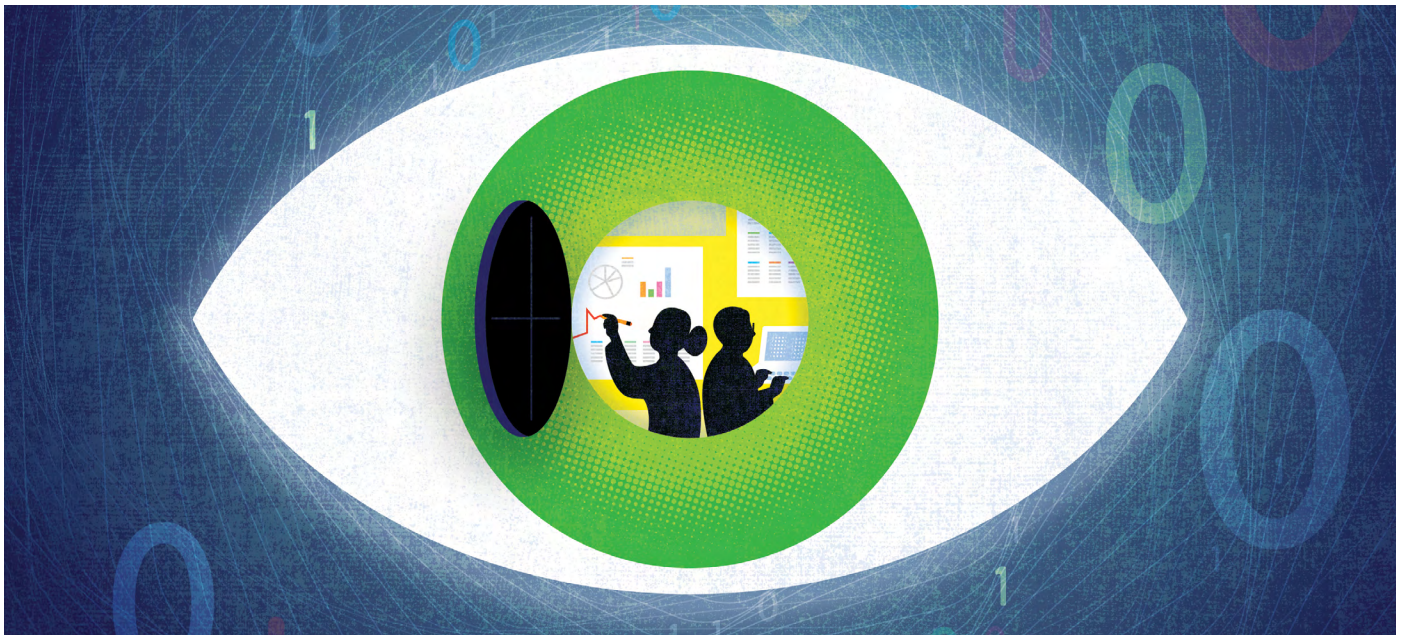
She is right. I was wrong. You have to make people feel comfortable.

But to Foote's point, whatever work you give AI still has to fit within your existing HR and technology rules. Beyond that, we set two immovable boundaries for ourselves. Number one: AI never gets the right to be unsupervised. Number two: AI never touches the dollar. It never posts to the general ledger or processes accounts payable.

So, what do you do with this new coworker that landed on Earth? You onboard it.

The Monday Morning Onboarding Test

If you want to know what this looks like in practice, you don't need to start with an enterprise rollout, a formal request for proposals, or a six-month committee. Here is what a very lean team for the City of Pontiac, Michigan, did: We gave it ten minutes on a Monday morning.



I don't want AI doing the thinking instead of an entry-level analyst.
I want that analyst using AI to expose themselves to more ways of thinking.

We gave the model our already-produced, public monthly financial statements and asked it to review them the way we would. We told it to identify the key month-over-month changes, explain what actually mattered, flag anything that looked unusual, and tie every conclusion back to the statements. Then we asked it to turn that review into a clean report and talking points that could actually be used in a public meeting. Finally, we put the AI output side by side with our own review of the same financial statements and checked whether it reached the same conclusions.

And it worked.

That ten-minute test told us a lot about our new coworker. It showed us its speed and synthesis. It followed the instructions exactly as we asked and broke down all changes month-over-month. It provided clear explanations for those changes, tied back to the statements. It tied every single number back to the source page, exactly as we asked.

There were no errors in that initial test, which was the lesson itself. It showed us that when you give the machine tight, specific instructions, it can synthesize complex financial data incredibly fast. That single exercise established our baseline. We did not need an IT task force to learn that. We learned it before our first cups of coffee went cold.

Once we figured out what it could do, we started looking around the office differently. The question stopped being, "What can AI do?" And became, "What are we spending human time on that does not actually require human judgment?" First drafts. Summarizing long documents. Comparing versions. Turning technical finance language into something a resident can understand. Stress-testing an argument before it goes to council. Looking at a memo and asking, "What would somebody disagree with?" Taking 50 pages of source material and helping us find the five pages we actually need to read.

None of that eliminates the finance professional. It gives the finance professional more time to be one.

The Heavy Lifting

That is when we handed it the heavy lifting. Consider our FY 2026–2027 millage rate public hearing. If you work in the State of Michigan municipal finance, you know the General Property Tax Act. You know the Truth in Taxation calculations. You know the L-4029 form. (And if you don't work in Michigan, you certainly have your own regulations to deal with.) They are technically rigid and incredibly dense. Explaining those mechanics to a city council or a room full of taxpayers usually means watching everyone's eyes glaze over.

We uploaded the raw statutory language, our city charter requirements, the Truth in Taxation calculations, and the completed state forms to the AI. The prompt was simple: Act as a municipal finance director. Take these source documents and create a public-facing presentation that explains the proposed tax rate to a resident who does not have a finance degree.

The AI did not calculate the millage rate. It did not decide the policy. It acted purely as a translator. It took the legal jargon and returned a clean, workable draft of our council memos, resolutions, and public talking points. We went from a blank page to a workable packet in hours instead of days.

We applied the exact same workflow to a massive road bond package. Our municipal advisor ran the debt service schedules. Our bond counsel wrote the legal parameters. The AI took those rigid components and drafted the executive summary for the city council. The experts handled the math and the law. The machine handled the first draft.

But faster is not the same as finished. The checking is the job.

The Income Tax Near Miss

That brings me to the income tax near miss.

For any city that levies a local income tax, revenue forecasting is high stakes. A swing of two or three percent changes your entire five-year forecast. We were working through a multi-cycle analysis to forecast local income tax revenue.

I gave the model a harder assignment. I asked it to organize our historical collection data and build a draft forecast using our baseline growth assumptions. Then I pushed it further. I asked it to consider what was happening in the broader economy: interest rates, inflation, the delayed effects of monetary policy, and new development happening here in the City of Pontiac, Michigan.

I wanted a comprehensive economic forecast. What came back was a work of art.

The formatting was immaculate. The prose was crisp. It laid out a multiyear projection with polished commentary linking inflation and interest rates to our local revenue trends. It looked ready to slide directly into a budget presentation for the mayor.

Then I started auditing the numbers.

I pulled out our actual historical ledgers and state distribution reports. I went line by line. Most of the tables checked out because they were organized directly from the source material I uploaded. Then I hit the baseline revenue estimate for the upcoming fiscal year. The figure looked totally reasonable. It sat right in the expected range. It matched the narrative about economic lags perfectly.

Then I tried to trace how the model got there, and I couldn't. The number wasn't tied to one of our baseline assumptions, a historical trend calculation, or another source I had given it. The model had created its own starting point to complete the forecast.

That near miss locked down the rule. When something goes wrong in Excel, you usually get a clue. A cell breaks, a formula spits out a reference error, or a total column fails to balance. Often, the problem looks visibly wrong. AI often doesn't fail that way. AI errors arrive clean, confident, and completely convincing. The model will look you dead in the digital eye and hand you a fabricated number wrapped in flawless sentence structure. From then on, we could use AI to generate estimates, but every baseline figure and assumption had to be traceable to an authoritative source or explicitly approved by us.

The hours we saved didn't disappear; they just moved from drafting to auditing.

We also learned quickly that "review the AI output" is not a control. Review it against what? If AI summarizes a statute, we go back to the statute. If it cites a number, we go back to the financial statement, advisor report, spreadsheet, or other authoritative source. If it drafts a calculation, we independently run the calculation. If it tells us something happened in a prior council action, we find the actual council action.

Never ask the machine that produced the answer whether the answer is right and call that verification. Go to the source.

This also changes how we develop people. I don't want AI doing the thinking instead of an entry-level analyst. I want that analyst using AI to expose themselves to more ways of thinking. Ask it for three ways to approach a problem. Challenge all three. Ask it what assumptions you missed. Make the analyst prove why the final answer is right. A junior employee who can work that way gets more repetitions, more feedback, and more opportunities to see how an argument can fail.

But there is a danger here, too. If we let new professionals skip the fundamentals because AI can produce the output, we will create employees who know how to produce work they don't know how to verify. That is unacceptable in government finance. You can't supervise the machine if you don't understand the work yourself.

One of the biggest risks for local government is not the technology. It is the capacity gap. In three to five years, the finance officer using AI as a coworker will be running circles around the one who is not. They are on a whole different clock.

Verify everything to the source. The machine drafts. I sign. ■

Robert J.F. Widigan is the finance director for the City of Pontiac, Michigan.