



INTERVIEW

Leading Through Change

An interview with Stacey Peterson, CFO of the City of Aurora, Illinois

BY KATIE LUDWIG

After she was promoted to chief financial officer (CFO) for the City of Aurora, Illinois, in 2025, one of the first challenges Stacey Peterson had to tackle was closing a \$29 million budget gap, in collaboration with the city's Mayor's Office and other department leaders. Peterson recently sat down with GFOA to discuss how she navigated this (and other) challenges, what she enjoys most about her job, and what advice she would share with other new CFOs.

Peterson started as an accountant for the city in 1999. She was born and raised in Aurora, moved away for a short time, and ended up buying her first home there. She was working at a medical center in Chicago, Illinois, at the time and was looking for a job closer to her home—so when she saw the accounting position posted, she decided to apply.

After two years, Peterson was promoted to an accounting supervisor role, which she held for 12 years

before eventually moving on to serve as the assistant director for budgeting. In 2021, her role was reclassified to the director of financial operations, adding revenue and collections, water billing, and purchasing to her responsibilities. She was promoted to CFO in 2025.

Peterson said one of her favorite parts of her job is seeing all the city's efforts come together to make the community a better place to live. "I grew up here, so it's special for me to now serve as Aurora's CFO," she said. "There has been remarkable growth in the city during this time, and it's an honor to now lead our municipal financial strategy."

Heading into 2026, the City of Aurora was looking at a \$29 million budget deficit. The city was seeing increases in personnel costs stemming from several union contracts that had recently been finalized. These contracts called for higher salaries that needed to be incorporated into the 2026 budget. The city's

required pension payments were also increasing.

The city also had to find funding for police body cameras, which the State of Illinois recently mandated for all police departments. The city initially used American Rescue Plan Act (ARPA) funds to cover the \$1 million annual cost for the body cameras and cloud storage of the video footage, but as these one-time grant funds were spent down, it became necessary to find additional funds for complying with this new requirement.

The 2026 budget gap was closed largely by reducing staff. The city cut a total of 139 positions, 70 of which were vacant—in part by strategically merging departments and divisions that had some operational overlap.

The city's Information Technology Department also examined all of its software agreements to identify any redundant software that could be eliminated. This exercise alone generated more than \$2.1 million in budget savings.

Cuts were not the only strategy the city used to close its budget gap. It also increased property taxes to cover its fire and police pension liabilities, and its debt service payments.

When asked about what keeps her up at night, Peterson said potential future liabilities and future revenue streams are her top concerns. With rising inflation and increases in the cost of living, she wonders if consumers will keep spending at the same level. If they don't, she worries that it could impact the city's sales tax revenue.

"Revenues can be volatile, and we need to make sure we're funding everything properly," she said. "We don't want the gap to keep growing."

Peterson has a couple of reasons to be optimistic about the city's revenue situation in the coming years. First, the city's lone casino recently moved from its downtown location to a larger site near the interstate.

The new location also has a hotel and several restaurants, and it's expected to draw increased visitors—which will hopefully generate increases in gaming tax revenue. In addition, the city is working on an economic development proposal to redevelop the old casino site in the downtown area.

"Casino revenue for the first month looked really good," Peterson said. "We're watching it closely. We can estimate, but we don't have a crystal ball."

Peterson also discussed the importance of developing and maintaining good relationships between finance and the other departments. She said she is always willing to sit down with department staff to walk them through their budgets and show them short cuts in the system.

"We're in the system all the time, so it's really easy for us to maneuver. But other people may only be in it once a month, or they might have their

assistants in there more often, and when it comes time for them to do the budget, they're only in there for that couple-months window," she said. "It's helpful to explain the process and make sure that they understand where they can go to get information and retrieve it."

Peterson is leveraging these relationships to update and streamline some of the city's policies and processes. Staff are collaborating to identify policies or processes that are not functioning as intended and will then develop and implement revisions.

"Getting ideas and perspectives from other individuals and listening to others helps us come up with a better end result," she said.

Peterson offered two pieces of advice to new CFOs, and that advice works for all finance professionals. First, she encourages them to "be willing to learn new things." She credits her involvement with the Illinois Government Finance Officers Association with providing both education and networking opportunities that have helped her throughout her career. "It's very beneficial to be able to pick up the phone and call another finance director and say, 'Hey, I've got this issue. Have you dealt with this before?'" she said.

Second, she emphasized the importance of "being willing to think outside the box." She acknowledged that many accountants are change-resistant by nature, but being open to new suggestions and pushing back against "that's how we've always done it" has served her well. "There's always something you can do to improve a process," she said. ■

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Katie Ludwig is director of resource development for GFOA.