

# Q & A

GFOA's **Mike Mucha** connected with **Matthew Trine**, assistant city manager/director of finance for the city of Rockledge, Florida. Matthew is also part of GFOA's Small Government Forum Advisory Committee to discuss best practices in small government, financial transparency, and the value of working for a local government.

**Finance officers in small governments are often forced to wear multiple hats, which is something we talk about frequently in the Small Government Forum. Can you describe the roles you play for the city of Rockledge?**

That's definitely true, not only for me but also for our entire team here in Rockledge. Speaking about my role, I am the assistant city manager, finance director, risk manager, IT director, and GIS director for the city. I have a team of six people working with me. Two staff members focus on GIS, two focus on IT, and two help out with Finance. But even with our small staff, we've recently taken on several large initiatives.

To provide some background, the city has a unique culture that favors providing services with in-house staff. We are the oldest city in Brevard County, and we like to have responsibility for our services and not rely on outside contractors. For example, we are the last city in the county to provide full municipal services, including sanitation services, to our citizens. As far as GIS, the city has continued to promote the culture of self-reliance and recently took over the function from the county. With our IT staff, we are very aware that many other small cities have been targets of ransomware, and we now provide cybersecurity training across the

city. We are also working to deploy a fiber optic network and to improve our disaster recovery capabilities. With our Finance staff, we are very proud to have received GFOA's Certificate of Achievement for Financial Reporting for the first time last year. We want to be known as an organization that not only learns from GFOA but also contributes ideas. This is one of the reasons why I'm excited to participate in the Small Government Forum and very much enjoy sharing our experiences with peers in other governments.

**Congratulations on your Certificate of Achievement in Financial Reporting. Not many cities the size of Rockledge receive that award. One request that we get at GFOA is to develop recommendations specifically for small governments. Do you find the current best practices applicable for small organizations?**

If someone can do it anywhere, we believe we can do it here at the City of Rockledge. We've taken the initiative to rewrite our financial policies, and we started with grants and capital assets. And as part of this effort, we're working to merge processes in risk management, capital assets, and buildings to develop a consistent approach across the city.

The approach we used to develop the capital asset policy is a great example





of how we were able to use GFOA's best practices and other resources and apply them in a way that works for a small government. Our policy takes full "stem-to-stern" perspective for capital assets including capital budgeting, procurement, onboarding, maintenance, and lifecycle cost analysis. Before we got started, I created a packet of information that pulled resources from several sources including state law, old city ordinances, and past policies, and compared them to GFOA recommendations from *Government Accounting Auditing and Financial Reporting* (chapter 23) and best practices from GFOA's websites. I shared them with leaders from across several city departments.

We then got in a room and workshopped our new policy over a series of meetings spread over several months. During those meetings, we were able to come up with a revised policy that covers everything each department does with capital assets. Our ordinance is scheduled to go before the city council in June.

Even though we are small, we were able to all understand the best practice and arrange conversations necessary to get this done.

### Any major changes with the new city policy?

For us, it's about getting everyone on the same page. When you are small, you need to be efficient. When you are efficient, you need to have active and open communication. We also needed to make sure we weren't accidentally working against people within our own organization. We are trying to change the mentality of the people we work with, so they view Finance as an internal service. We can help the other departments accomplish their own missions by not inadvertently creating obstacles. We also need to do what we can to make sure that everyone, including Finance, sees the value of each other's work.

The policy documents the end result, but the culture we are trying to build is really about the conversation and working together. We hope the policy makes it easier for Finance to say yes, pitch in, and help people.

Completed in June of 2019, Rockledge's Civic Hub is complete with lighting, a covered stage area, wi-fi, charging stations and a sound system. Providing a place for residents to relax and unwind, the Hub also serves as the premier center for the City's community events.

I have a great example to share. When we started planning for our fiber optic network, open conversations between the city's wastewater treatment plant managers and others led to the city realizing that it already had a network connecting different areas of the city in old wastewater treatment lines. We are now using those old lines to lay cable, which generates significant savings compared to digging new routes.

When you're small, you need to do the most with your resources, and the most important resource we have is people.

**You mentioned that you want to be able to share experiences with GFOA's Small Government Forum on your success in Rockledge. The capital asset policy sounds like a great case study that we can use. Do you have any other plans or ideas for the forum or ways that you can help influence other practices in local government?**

Honestly, the leadership group within the Small Government Forum is great. Norman Eckstein, Jennifer Signs, and Jeff Hansen have established a great plan. We're working on a quarterly newsletter and on reaching new members (including those in Canada). The newsletter will also provide short articles on current issues or topics ranging from American Rescue Plan Act funding to payroll administration. The newsletter has also become an area where professionals can provide their professional opinions on topics—we've even had disagreements and provided both sides of an issue in a respectful manner.

**You bring up a good point. In many areas of finance, there isn't one single best answer, and individuals can have different perspectives on what should be done.**

There are so many state laws, histories, and cultures. We also represent different types of organizations. We need to be able to honor our differences and our own unique cultures. If we can be educational and show different sides of an issue that allow other finance officers to make up their own minds relative to their own unique cultures, I will feel that we've done a good job.

**Within the Research and Consulting Center here at GFOA, we have a phrase that describes our goal: providing finance officers with the tools to review a set of facts and then make the best determination for their organizations based on their own knowledge, experience, and professional judgment. We use the analogy that we want finance officers to “be chefs, not cooks.” A cook can follow a recipe with predetermined directions. A chef understands why certain foods go together and can work with flavors, techniques, and their knowledge of ingredients to create a meal.**

That's good. I agree wholeheartedly. You also need to know who you're cooking for. You can make a great meal that you want to eat, but if the people at the table don't want it, it's not any good. If I can add anything to that, it would be that finance officers need to listen to the people they are working for. People are the most important thing, whether it's your team, the city, or the people you are ultimately serving. The most important thing I've learned in my career—including my 10 years as a CPA and now my five years at the city—is that you need to listen. I used to believe it was important to

be right. Now I understand that what is most important is that everyone needs to be aligned with the same vision and that we all keep working together to achieve our goals. Even if we don't all agree on something, we can realize that it's what's best for the organization or community as a whole.

**In your bio, you mention that one of your goals is to improve financial transparency for the citizens you serve and to make complex accounting standards easy to understand. Can you tell us a bit more about how you are able to do this, and why it's so challenging?**

I think it's important because governments can easily get caught up in the short term. What we don't see is the longevity and the experience of our citizens. Citizens don't view services in the context of an annual budget.

One example that we're navigating is the State of Florida's recent law that raises the minimum wage from \$10 to \$15. The decisions we make about when to implement those changes will affect numerous stakeholders, both within city government and externally. As a financial officer, I try to look at the issue from the perspective of all citizens, including homeowners, businesses, potential employees, and so on. As a finance professional, I need to take different pieces of information and try to estimate their impact on people. For example, increasing the minimum wage will affect employees, businesses, and taxpayers in the short term. But in the long term, it will also affect our ability to recruit and to stay competitive in the region. As a finance officer, I've felt that our role is to work on spreading out the impact and helping navigate issues to limit disruptions for all of our citizens.

In communicating changes, we need to relate the financial impact to how we support our overall city goals of growth, continuity of service, and stability, and do so in a way that is transparent as far as the cost and quality of services.

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**It sounds like part of the solution is to think long term and to explain why. How do you communicate this message? Do you feel that citizens want this information?**

I think there is growing demand for government transparency. In our current form of government, I communicate primarily through the budget book, audit, and presentations to council. Florida also has a broad public records law that allows transparent access to just about everything we do. I actually like the level of transparency we have and wouldn't be surprised if even greater levels of transparency were mandated in the future.

**What do you think is the most difficult part of government finances for someone without a finance background to understand?**

The most difficult part for citizens to understand is the balance sheet. Most governments have large reserves compared to the private sector. It also looks like we have so many assets on the book, including those that are non-spendable. We even have assets that we need to take care of, such as roads and infrastructure. If I owned a small business and looked at my own books and then tried to compare that to the city's finances, I would see reserves and assets as the two biggest outliers—and of course the disparities between governmental funds and enterprise

funds, and the different forms of accounting that we use for each. I don't even think this is something that government officials, including some in finance, understand.

**How do you communicate to your council or other leaders in the city about these differences, to help them understand the city's financial situation so they can then make appropriate decisions?**

We've done a deep dive with our council and have had similar conversations in team meetings. For example, when we developed our capital asset policy, we worked to include considerations for understanding the actual costs for capital assets. When capital assets are purchased, departments indicate the full lifecycle costs and determine expected costs for maintenance and operation. Many of the capital assets are items that we need to put money into for maintaining so they can provide services. These are not things that we are going to get dollars out of. In many cases it's easy to say we can buy the asset, but the additional costs of maintenance and operations, and the potential for other large risks to service, need to be considered as well.

I also think it's important to understand other major risks that governments face. We're a small government, and many of our elected officials are focused on operations and providing direct services to citizens. Citizens don't often call and ask about fraud protection, financial accounting practices, or if our cybersecurity protections are up to date. They want to know about fixing the pothole in front of their house or why the trash wasn't picked up. But it's important for finance officers to pay attention to these risks, including the financial impacts that would significantly affect a government's ability to provide services.



Matt and his family on vacation near Sedona, Arizona.

**Five years ago, you made the switch from the private sector, where you worked as a partner in a CPA firm, to local government, where you're working as a finance director—a position where the value you bring may not be clear to those outside the organization. Do you have any reflections on that move and thoughts for anyone else considering a similar career change?**

I think it is one of the most rewarding things I've ever done. To go from providing advice on issues after the fact, telling people what they did right or wrong—I love being part of a team that is proactively working with the community and trying to make good decisions. I strive, along with other members of my team, to provide good information and come to the table with a voice that speaks to the future impact of decisions. I find it extremely rewarding to be part of a government and represent the taxpayers and businesses of the city of Rockledge.

I would strongly recommend that people consider government finance as a career. The finance team does hard work and puts in the time that is

required to get the job done right. I'm also home every night to spend time with the people I love, including my wife and children. While it is true that the private sector can be financially lucrative, there is so much more to be gained by knowing that at the end of a long career in local government finance, you helped steer a community and worked to ensure its long-term stability. When I retire, if the Rockledge community is doing well and any fiscal changes have been slow, steady, and transparent, I'll know I've done a great job, and that will be very rewarding.

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

To find our more information about the Small Government Forum or to register, please visit [gfoa.org/small-government-forum](https://gfoa.org/small-government-forum). The forum is available to any GFOA member who works at a community with fewer than 25,000 people or at an organization with fewer than 500 employees.