

# Q&A



# Building Trust, Teams, and Resilience

A conversation with Steve Webb

BY MIKE MUCHA



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**Mike Mucha**, GFOA's deputy executive director, spoke with **Steve Webb**, finance director for the City of Cincinnati, Ohio, about building trust, the importance of developing a strong finance team, and his experience working in a variety of state and local governments.

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**Thanks for taking the time to chat today. What's it like being the finance director for a large city, and how is the city doing financially?**

I lead a team of 112 fiscal professionals across our accounting and audits, income tax, risk management, pension, and treasury sections. From a financial perspective, the city is in a strong position. We have a large, diverse tax base with many small, medium, and large companies that provide stability. But like any other municipal government, we are subject to larger macro-economic factors, and our tax revenue is impacted by larger national trends in the economy. However, the finance team works to ensure the organization remains resilient in the face of that pressure. I've now been here a little more than a year, and things seem to be going well.

**Resiliency is a hot topic. Are there any specific reasons for that resilience in Cincinnati? Anything that gives the city an advantage over other cities in the region or nationally?**

In addition to the large firms like Proctor and Gamble that provide a bit of an anchor, we have the University of Cincinnati and Xavier University, along with several large hospital systems.

The children's hospital here is nationally recognized. We also have a large presence in the banking and financial services industry. Like other Midwest cities, we also have manufacturing, but being able to go beyond that helps. Overall, we have a pretty strong local economy.

Cincinnati also has an incredible history that drives the culture here. Cincinnati had the first professional baseball team, the first concrete skyscraper, the first professional fire department, and the first municipal pension plan that went beyond police and fire. The city also played a major role in the abolitionist movement and was a key stop on the Underground Railroad. That spirit of innovation exists today as a source of pride.

**From a public finance perspective, how is the city showing some of the innovative culture? Are there any initiatives or major projects going on?**

We recently worked on an update to our fiscal stabilization policy to ensure that we were approaching reserves in a strategic way. We clarified how much of the reserve is for disaster response, economic downturns, or other events. Our policy also defines how we use any excess funds: first, to shore up reserves,

and second, to fund a variety of city priorities. Going forward, this provides benefits for affordable housing and the health of our pension plans.

When I got here, we participated in conversations with all stakeholders so leaders could be strategic about the balance between spending today and helping us better prepare for the future. As finance officers, we know that regardless of where we currently are in the business cycle, the public expects the city to provide high-quality services, and I believe everyone here in the city really deserves a level of public safety, working infrastructure, and essential services. As a finance team, our role is to manage that balance, and we take that responsibility seriously.

**I also heard that you were in the middle of enterprise resource planning (ERP). Pretty brave to take on that in your first year.**

Oh yeah. We are in the middle of an ERP upgrade now. I think it was important to assess our current systems and determine what our actual needs were. We were a couple of versions behind and are now moving from a server-hosted solution to a cloud solution. We also used the project to ramp up our business continuity and disaster recovery plans. Overall, the project is going well. I'd say our experience is probably pretty similar to other cities. We are making progress, but we also run into problems from time to time. For example, we've had to confront extensive customizations in our current system that made it pretty clunky.

**Very true. It seems like everyone knows the danger of customized systems, but then governments continue to fall into that trap because changing process or policy is hard.**

Yes. I've been part of a few system implementations. When organizations put in these massive systems, it seems like software providers want to earn the business and make clients happy, so they end up customizing the system to match whatever the client asks for. That could be to use the new system the way the old system worked, or to replicate features that were in spreadsheets.

I can see now how the cloud is changing that and reducing this risk, but changing process and policy instead can be difficult. When you start to customize the system, you get this unfortunate whack-a-mole effect where small changes in one area then mess with other components of the system in other areas. Before you know it, you have workarounds and inefficiencies to address everywhere. Then it's hard to keep up.

**Any recommendations you can provide to others so they avoid customizations and/or make it easier to change business processes?**

Having done this before, but also being new to the city, I think I was able to bring a fresh perspective to the project, and also had some credibility. It's important to challenge the existing processes and not settle. I also need to give the staff here a lot of credit. They have been very ready, willing, and able to take this on and have really been incredible throughout the whole project so far.

**Let's switch topics and talk a bit about your career journey. When did you first realize that you wanted to take on a career in public finance?**

I don't know if I could say that I always wanted to do this, but my dad certainly planted the seed early on. He talked about working in government as a noble profession. It may not be the job that makes you rich, but there's really no better opportunity to directly impact your community. However, I didn't start directly in the government. After college, I worked in the private sector for six years and, frankly, did not enjoy it. Pretty much right from the start, I could tell my job wasn't a good fit for me, but I kept getting promoted and stuck it out. Then a friend and co-worker of mine left for a job at the State of Indiana, and he loved it there.

Watching my friend, combined with the initial recommendation from my dad, was the push I needed, and I switched, taking a job with the state as well.

**I've noticed that in a relatively short amount of time, you've had a few roles in government. It seems like you were successful at navigating new opportunities.**

I went to work at the State of Indiana as an analyst in the Department of Administration and then moved over to the Public Retirement System. From there, I actually went to work for the City of Indianapolis as deputy director and chief financial officer for the Department of Business and Neighborhood Services. That then led to a job back for the state as controller for the Department of Family and Social Services, one of the largest departments in the state. At each stop, I was able to learn quite a bit and take on more and more responsibility. The budget for the Department of Family and Social Services was well over one billion dollars. Scale-wise, it was just massive. Then, in early 2020, my wife was recruited to take a new job in the Cincinnati area. At the time, the COVID-19 pandemic was just getting started. With the entire country getting shut down, we talked about it and

**AWARD-WINNING LEADERSHIP:** Steve Webb has received multiple professional awards, including GFOA's Certificate of Achievement for Excellence in Financial Reporting for Covington and the 2023 Kentucky GFOA Finance Officer of the Year award. At right, Steve is pictured with his wife, Charlotte, at the 2024 GFOA Annual Conference in the City of Orlando, Florida.



decided that this was the best time to move. After moving, I found a finance director position with the Northern Kentucky Area Development District. At the time, I really didn't have a network in the region, but this organization's board included several county executives and mayors from the area that it served, and that helped me build my network.

**That's a great opportunity and fortunate situation.**

Yes. I don't think I could have scripted it any better. The City of Covington's mayor was on the board, and they had some issues, including past experience with fraud. They were looking to make a change, and I applied.

**I can see how working for multiple levels of government across multiple states gives you a unique perspective. Anything you can share along that path that you've learned and now rely on as finance director for a big city?**

Looking back, the day-to-day job at each place was very different, but ultimately, I was responsible for similar work. When I started at the Northern Kentucky Area Development District, its budget was \$22 million. The City of Covington had a budget of \$240 million. The City of Cincinnati's budget is over \$2.2 billion. In working my way up, I did a lot of different things. I worked in procurement, I worked in budget, and I worked in financial reporting. I was at the Indiana Public Retirement System when GASB 67 and 68 were implemented.

Then, starting out as finance director, I was still in a small organization with limited staff, so I really had to manage the work, even as director. I was approving every transaction and was very much in the weeds of everything. I felt very comfortable in my role, and when we ran into issues, I was able to pretty much use force to get everything into the right place.

That's something I can't do now because of the scale and complexity of a larger organization. I just can't take hours to get into the details of

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really anything now, but my broad background has helped me a lot to understand the issues we face. I know a little about everything, and I think it's a valuable skill to be able to see the big picture and know how all of the pieces work together. I would also say that the most important decisions I make now are hiring decisions to make sure we have the right people on the team.

**That's an interesting perspective, but one I think many leaders share. Moving up, you rely on technical skills, but once you are near the top, leadership and people skills become much more important.**

Very true. As much as I'd like to spend an entire afternoon playing around with a spreadsheet to solve a problem, I just can't. Even though I'm still responsible for everything, I learned that I needed to create shallower touch points with my team across a wider span. And for that to work, it comes back to having the right people in place to take on the work and get the details right. In this job, the most important thing I can do is build a culture and develop a team.

**Were there any surprises or leadership challenges as you transitioned into your role as finance director for a large city?**

The volume is intense. I don't know if it was different from what I expected,

but delegation and trust are critical. I just can't look at everything, so I need to rely on our team.

**Can you talk a bit about how you navigated the transition from the perspective of life outside of work? One challenge I've heard other finance leaders can struggle with is maintaining an appropriate balance.**

The job is never done. I think it's important to have a boundary. I know there is never going to be a day when I can say that everything is done and now it's time to go home. I could literally sit at my desk for 24 hours a day, 7 days a week, and still not get everything done. I've learned that work is basically an exercise in prioritization. If I personally took every meeting, answered every email, or personally addressed every problem that came to me, I wouldn't get anything else done. However, I have a very capable team, and it's important for me to make sure I'm both empowering them to be successful and getting out of their way.

One thing I try to be aware of is not to be that "hero" leader. I still do work a lot of hours and believe I'm productive in getting things done, but I also want to make sure that we use our resources appropriately to maximize everyone. If I took on every problem, I wouldn't be helping others grow, and then they wouldn't be ready when we really need them.



You need to be able to deliver a message that speaks to why government matters and how public funds are used to deliver services.



**You've spoken a lot about trusting your finance team. At GFOA, we also talk about the need for governments to work on building trust with the community. I know that you started for the City of Covington when trust was low. Where would you recommend someone start to work on improving public trust?**

When I took the job in Covington, I knew that there were two large fraud incidents that impacted trust. However, regardless of the situation, I would start by saying that there is no shortcut. For me, I worked on building a relationship with the Board of Commissioners. Given the situation, I was also careful not to ask for trust. However, over time, we were able to demonstrate competence and earn trust.

A big part of that was putting a value on transparency and working to always be transparent. That meant communicating what I was seeing—the good, the bad, and the ugly. If we made a mistake, I wanted to make sure they heard it from me and didn't find out about it on their own.

**I also want to get your opinion on financial reporting and public engagement. Many governments struggle with telling their story and effectively communicating an appropriate message to different types of stakeholders.**

**What information should finance professionals be communicating?**

A government has a lot of different stakeholders. We're talking to the capital markets. We're talking to granting authorities. We have ongoing discussions with our elected officials, and we also present to the public. The annual comprehensive financial report (ACFR) provides the detail the first two are looking for.

For other stakeholders who are not fiscal professionals, transparency goals fall short if the mechanism governments are using to relay the message is not digestible. I believe that developing a popular report has a role, then, to provide high-level, basic information to the average citizen. If we are going to work on building trust with the public, we must give them something they can read. They don't want to flip through something that is 300 pages long.

**We've found that many governments can actually struggle to prepare a popular annual financial report (PAFR) because it's difficult to determine what information the public really wants to know. What do you think the average citizen wants to know about the finances of their government?**

That's a good question, because I don't think you can communicate the same way and only provide numbers from the ACFR. I think the average citizen, and prospective citizen for that matter,

wants to know that their local government is going to be able to provide the services they expect and deserve, regardless of the economic cycle. They want to know their government has the resources to keep them safe and keep the infrastructure maintained so they can live their lives.

**We see a lot of reports that look like ACFRs with added photos. In my opinion, being able to tell the story of the government is critical. You need to be able to deliver a message that speaks to why government matters and how public funds are used to deliver services. How did you highlight the story for the governments where you have been?**

For the City of Covington, we talked a lot about economic development. There was a lot of activity that the community took an interest in. For example, the city purchased a large piece of land and tore down existing buildings to redevelop the area. It was a huge project, with goals of creating more housing and jobs. It was important to communicate how this growth helped pay for public safety and public works services.

**I like that—you were able to make the connection between what people witnessed at the development site and why that was important from a fiscal sustainability perspective for the community.**

Yes, I think that's right. We anticipated the questions we would get and then just answered them head-on. For the City of Cincinnati now, we are trying to educate the public on the current state of the retirement system. Pension liability is a big issue for many cities, but it can also be difficult for citizens to understand when all we talk about are big numbers, and we use jargon. We need to be able to talk about why it matters and, specifically, what our strategy is for dealing with the problem. For the city, it was related to our reserve policy. We were able to communicate why it's important to fund the pension system, how we planned to achieve fully funded status by 2045, and what it means for them.

**When it comes to communicating now, there is a lot of discussion about the role of generative artificial intelligence and its role in helping governments prepare reports or communicate with different audiences. What role do you see AI having in building trust and transparency for government?**

I think there is potential. AI has the ability to produce and format a lot of information. AI can generate reports, provide summaries, even draft messages, and probably edit text that, in the end, may be more appropriate for the public. However, I think we also need to remember that AI is not perfect. I would suggest that we need to treat AI just like the work product of an employee, and maybe even an employee you don't really fully trust. You need to review and vet what it's putting out there before you make it available publicly. For the public to trust government, they really need to trust the people leading the government.

**Have you been able to use AI in other areas?**

I can see the promise for very repetitive tasks. For some other tasks, I've been less successful. When I was working for the City of Covington, we had policies that were really old, and in some cases we didn't have policies at all. I gathered together some best practice documents

from GFOA and the Kentucky League of Cities, uploaded them to an AI tool, and asked it to create a baseline policy I could use. What it gave me wasn't good. I didn't use it.

**In some ways, I can see how AI provides some competition to professional associations like GFOA in providing templates or analyzing pros and cons of different policies or practices. But I'm optimistic that members will still find value in networking, mentoring, and the personal connection provided by associations. I know you have been active in GFOA, both at the national level and the state level. What led you to get involved?**

When I started in Kentucky, one of the first things I looked into was the Kentucky GFOA, and when I came to Ohio, I relied on the Ohio GFOA. It's been interesting for me to learn how the public finance laws in Ohio, Kentucky, and Indiana are actually quite different. When I first engaged with the Kentucky GFOA, I met Angela Waninger, the finance and support services director for the City of Owensboro. She was president of the Kentucky GFOA and was really instrumental in helping me get acclimated. For my situation and what was going on at the time in Covington, she was the person I was able to turn to for guidance. She was not only able to answer my questions but also became a good mentor and, more importantly, a friend.

**That's great, and it shows the value of GFOA's network both at the state level and the national level. As part of our 120-year celebration, we've been looking through old programs and photos that show some of the first GFOA conferences. What surprised me is the similarity between some of the issues finance officers faced in the past and what is going on now. If I asked you to predict how government might evolve to meet the needs of members in the future, what would you say?**

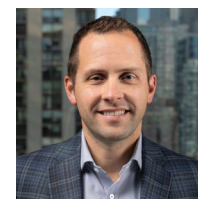
First, I want to say that the change GFOA made to its membership structure will benefit members in the future, and I see this as a game-changer for the profession. We have a very decentralized group of finance professionals here in the City of Cincinnati, with fiscal divisions in every department. The more inclusive structure allows us to extend membership benefits to more people and reprogram dollars that went to membership for training.

I think that providing professional development opportunities down the org chart will get more people engaged, and more people will stick with the profession. I also think that people will be more prepared to deal with the increasing complexity of public finance.

Perhaps if more people are engaged early, someone 20 years from now, with my unconventional background, wouldn't be able to get promoted so fast, but I see a profession where more people are ready and willing to take on leadership positions in government.

**That's great to hear, and I hope that GFOA can continue developing that next generation.**

It's funny—throughout history, I think every single generation feels that the group that comes after them is less capable of carrying things forward, and I definitely heard that as I was moving up. But I think it applies beyond finance and government. But somehow we continue to move forward and progress. I also think the people that come after me will be tasked with solving problems that I couldn't, or with fixing things that I messed up. I'd like to think that in the future, GFOA will continue to evolve and take a larger role in providing resources and opportunities to train future finance professionals so they can solve what will be more complex challenges of the future. ☒



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