



Finance Committee Report

City of Newton **In City Council**

Monday, November 29, 2021

Present: Councilors Grossman (Chair), Humphrey, Noel, Kalis, Oliver, Gentile and Malakie

Also present: Councilors Albright, Baker and Downs

Absent: Councilor Norton

City staff present: Human Resources Director, Michelle Pizzi O'Brien

417-21 Public Meeting with Comptroller candidates

PRELIMINARY SCREENING COMMITTEE submitting recommended candidates for the City of Newton Comptroller appointment for review by the Finance Committee and recommendation to the City Council.

Finance Held 8-0 on 11/22/21

Action: **Finance voted to recommend Stephen Curley as the Comptroller 7-0**

Note: The Committee began with their interview questions for Robert Belkin.

Please tell us why you are interested in the position of Comptroller with the City of Newton and why you feel you should be appointed by the City Council? In your response, please be sure to take a moment and provide the Councilors with your general career path to date including any professional experience, education or training you feel is relevant to this position.

Mr. Belkin explained that he is a CPA and has experience in the public and private sectors. He currently holds the position of Controller for the MWRA where he prepares financial reports and works with external auditors on the Comprehensive Annual Financial Report. He further explained that he is from Newton and is familiar with the issues that Newton is facing currently.

Please share with the Committee your experience in creating financial and organizational strategies within your organization and how you intend to apply this experience if selected for this position.

Mr. Belkin explained that at the MWRA timely financial reporting is important and how he uses their Enterprise Resource Planning (ERP) system to help with providing these documents to all of the relevant constituencies. It is important to be responsive to all of the financial statement users' needs.

Please describe your experience in making presentations to one or more financial rating agencies for credit rating purposes and make specific reference to explanations between budgetary report balances and operating results, and those reported in GAAP financial statements.

Mr. Belkin explained that they recently finished a bond deal where they had to work with all three credit rating agencies. He further explained that they are an enterprise fund so it is not usually geared to budgetary reports.

Please describe your experience working with your organization's finance or audit advisory committee and with other members of your finance team.

Mr. Belkin explained that their Board of Directors has subcommittees, including the financial committee, who he does work with. He further explained that he meets with the finance team weekly.

Describe your role in the budget process at your most recent position and what experience you have with monitoring budgets. In your response, please give specific examples of when you have had to push back on managers in your organization to ensure proper budgetary control.

Mr. Belkin explained that he is responsible for his department's budget which they are currently working on for FY23. Beyond that there is not pushback within his organization. There are monthly financial statements and with those Mr. Belkin explained that he can question variances.

Please address any experience you have with external auditors. In your response, describe what you feel the value of an external auditor is, and please describe if you have any experience as a primary point person for external auditors and what actions you have taken following the result of an audit.

Mr. Belkin explained that he is the point person with their auditors, Clifton, Larson & Allen. The MWRA does write their own financial statements which are then reviewed by the external auditors.

Please discuss what you foresee as your primary goals upon immediately assuming this role and what accomplishments you would like to achieve in the first year.

Mr. Belkin explained that he does need to get a sense from the Finance Committee and city staff on what they expect from the Comptroller. He further explained he will bring the experiences he has working in the private and public sector to this role.

Please describe what you believe are the major financial challenges for municipalities today and how your vision and experience will help to ensure that the City of Newton is effectively prepared to face these challenges in the future.

Mr. Belkin explained that he will need to understand the revenue sources for the municipality and what challenges there are. The expenses of the City will also need to be addressed. Mr. Belkin explained that he would work to make sure the revenues can match the City's goals.

Please describe your experience as a supervisor and describe your management style and philosophy. Then, please describe what you believe is the greatest challenge when managing staff.

Mr. Belkin explained that he currently manages a team of 13. He explained that he values communications and has weekly meetings with his staff. It is also important to explain to staff why they are doing their tasks. The challenges do include the fact that these are union employees and it is vital for staff to understand why they are doing their work.

Please describe how you envision your relationships with the following people and groups, and in your answer please address how you plan to develop those relationships:

- o The City Council**
- o The Finance Committee and its Chair and Vice Chair**
- o The Mayor and her executive staff, including the Chief Financial Officer and all city departments heads and other finance staff**

Mr. Belkin explained that he would view himself as the financial resource for the City Council. He also noted that he understands he will need to report to the Finance Committee and understand what their goals are for the City. Mr. Belkin explained that for the executive staff he would like to have a good working relationship with them. Additionally, for city department heads and other finance staff, Mr. Belkin explained that he would also like to know what their goals are and work productively with everyone.

In Newton, we embrace, and are strengthened by the unique and diverse backgrounds of our community members and employees. The City believes in fostering and maintaining a safe and welcoming community, which is based on mutual respect for our residents, employees, businesses, and guests. What does diversity, equity and inclusion mean to you and how do you feel you can contribute to these goals as a member of the City's leadership team?

Mr. Belkin explained that he currently runs a diverse staff of 13 which only benefits his office and what they are trying to accomplish at the MWRA.

Why do you want to move from the MWRA to the City of Newton?

Mr. Belkin explained that a collaborative work environment where everyone is moving in the same direction is important to him and he believes that Newton is that collaborative work environment.

How would you better match the tax rates in Newton and the needs of the City?

Mr. Belkin explained that he would start by looking at the current budget. There he can see what objectives are not being met and then he will find ways to meet these needs.

How do you see the role of advising the City Council on the budget process?

Mr. Belkin explained that he has been successful in explaining financials in a way that is easy to understand and plans to continue that with the Council.

What role does technology play in the Comptroller's Office and how comfortable are you working with different technologies?

Mr. Belkin explained that technology is extremely important in this role and he explained that he currently works with his IT Department to make their processes more efficient.

Do you have any experience with Munis?

Mr. Belkin explained that he does not have experience with Munis but he has been able to get up to speed on different financial programs in the past.

Has there been a situation where you were asked a question where the answer would not be desirable to deliver?

Mr. Belkin explained that until 2015 they did not have an OPEB Trust fund and there was resistance from the Board of Trustees with establishing the fund. In those early years, the rating agencies assumed that an OPEB Trust fund would be established. The agencies have also tried to change the way the fund is being utilized but Mr. Belkin had to explain to them that they do not pay retiree health insurance out of the trust fund currently with the goal of eventually paying the premiums out of the fund.

How have you handled difficult staffing situations with your staff?

Mr. Belkin explained that he has handled situations where he has had staff that are very productive but want to move up too quickly. He has tried to mentor his staff to take interim steps instead of taking a position they may not be ready for.

What are some of the topics that you would help guide the City Council through?

Mr. Belkin explained that this is about accessing the data and explaining the data in way that is helpful for the decision-making process. He also explained that the GASB board are coming out with new legislation on leases and this will be an important topic to discuss with the Council. Mr. Belkin will also use the data he has to bring information to the Council that they may not be thinking about.

What are your thoughts on your own professional growth and the professional growth of your staff?

Mr. Belkin explained that he has worked tremendously hard becoming a CPA and still continues his education. He also makes sure there is a second staff member that is a CPA and that he is providing information to his staff to help with their growth.

What are your analytical skills and how do you use them in your current position?

Mr. Belkin explained that his department does the initial comparison of the budget to actual, and does this to be able to fully understand the financials. He would continue to be able to do this analysis so he can explain these financial reports to the Council.

How will you deal with managing an office that is well established with a team that has been working together for a number of years?

Mr. Belkin explained this is the experience he dealt with when starting at the MWRA 13 years ago. It is important to make the staff understand how he wants to improve the department and it is also important for him to listen to the staff to understand where they see that the office can improve.

Would you be able to explain to the Council how a development will impact the City financially?

Mr. Belkin explained currently they have large projects at the MWRA and he does go through the contractors' financials to see how they will be able to perform. He speaks to the procurement director when there are concerns as to whether the contractors can financially perform.

How often should the City Council receive financial reports from the Comptroller?

Mr. Belkin explained that monthly reporting is important, including year-to-date reports. He also noted that he tries to have the financial reporting done shortly after the end of the fiscal year which is important for the relationship with the external auditors.

How do you see the customer service role as the Comptroller?

Mr. Belkin explained that he does see finances as a customer services department and will answer questions with the direction of the Finance Committee. He also expressed the importance of answering questions in a timely manner.

The other finalist candidate for this position currently serves as the Deputy Comptroller. If you are chosen for this position how will you foster a positive relationship with this individual?

Mr. Belkin explained that he would be sensitive to this situation and make sure that they feel valued on the team. He would also continue to help this individual grow in his career.

How do you feel about giving performance reviews to your staff and how would you feel about receiving performance reviews?

Mr. Belkin explained that performance reviews are an important way to help with bettering the staff and also bettering him as a manager.

The Committee took a short recess and then began their questions for Stephen Curley.

Please tell us why you are interested in the position of Comptroller with the City of Newton and why you feel you should be appointed by the City Council? In your response, please be sure to take a moment and provide the Councilors with your general career path to date including any professional experience, education or training you feel is relevant to this position.

Mr. Curley explained that he has been with the City of Newton for 11 years. He began his career in the Treasury Department and has been in the Comptroller's Office for about 8 years. Additionally, he explained that 3 years ago he was promoted to Deputy Comptroller. Mr. Curley is also a Certified Governmental Accountant.

Please share with the Committee your experience in creating financial and organizational strategies and how you intend to apply this experience if selected for this position.

Mr. Curley explained that he has done some more of the higher up strategy for the year-end close and the preparation for that starts months in advance. He explained that there are a number of goals he needs to meet including having the financial reports done. This work also includes working with the external auditors and city staff to make sure everything is ready for the year-end close.

Please describe your experience in making presentations to one or more financial rating agencies for credit rating purposes and make specific reference to explanations between budgetary report balances and operating results, and those reported in GAAP financial statements.

Mr. Curley explained that he does sit in on the rating agency calls but has not actually given the presentation. He does prepare a good portion of the data that the Council uses when bonding projects. Mr. Curley further explained that the City operates with a balanced budget voted on by the Council and that is independent of what the City receives or spends. The City has always budgeted conservatively and usually exceeds the revenues. The GAAP financial statements would be reported in an actual sense and the budgetary financial statements are done based off expenses and revenues versus what the actual budgeted amounts were.

Please describe your experience working with your organization's finance or audit advisory committee and with other members of your finance team.

Mr. Curley explained that he sits in for the Financial Audit Advisory Committee meetings. He further explained that he provides back-up information for the members of this Committee.

Describe your role in the budget process at your most recent position and what experience you have with monitoring budgets. In your response, please give specific examples of when you have had to push back on managers in your organization to ensure proper budgetary control.

Mr. Curley explained that the Comptroller's budget is relatively small. The salaries are done through the administration which just leaves the Comptroller's daily expenses. Those do not usually change

from year to year. There have been efforts to add more money for training. For the overall budget, Mr. Curley explained that he has experience reviewing what is submitted by the CFO. He noted that he has had to make corrections to the budget that is submitted and worked with the CFO and other department heads to resolve these issues.

Please address any experience you have with external auditors. In your response, describe what you feel the value of an external auditor is, and please describe if you have any experience as a primary point person for external auditors and what actions you have taken following the result of an audit.

Mr. Curley explained that he typically is the point person for anything the external auditors need for the audit. He has met with the external auditors recently regarding the different Covid grants to make sure that they are on the same page. After the audit is complete, Mr. Curley explained that he reviews the financial reports and the management letter.

Please discuss what you foresee as your primary goals upon immediately assuming this role and what accomplishments you would like to achieve in the first year.

Mr. Curley explained that his primary goals are to get back to the core responsibilities and values that each position holds. The department has cross-trained their employees and at times they have lost clarity regarding who is responsible for each task. Mr. Curley explained that they are trying to automate some of the financial reports.

Please describe what you believe are the major financial challenges for municipalities today and how your vision and experience will help to ensure that the City of Newton is effectively prepared to face these challenges in the future.

Mr. Curley explained that some of the financial challenges are the Covid-related issues. Newton has received a great deal of aid which has been used to help residents and businesses during this time. But Covid has also negatively impacted the City's revenues and that might affect the City in the future as well. This included the parking meter revenues which went to zero when it was not being enforced during Covid.

Please describe your experience as a supervisor and describe your management style and philosophy. Then, please describe what you believe is the greatest challenge when managing staff.

Mr. Curley explained that as the Deputy Comptroller he does not manage the staff day-to-day but if there is an issue the staff does go to him for help. He explains that he does get along with everyone in the office and that is why is asked when issues do arise with the staff. The greatest challenge when managing a staff is making sure everyone is on the same page. Mr. Curley wants to ensure there is always an open line of communication between him and the staff.

Please describe how you envision your relationships with the following people and groups, and in your answer please address how you plan to develop those relationships:

- o The City Council**
- o The Finance Committee and its Chair and Vice Chair**
- o The Mayor and her executive staff, including the Chief Financial Officer and all city departments heads and other finance staff**

Mr. Curley explained that members of the City Council including the Finance Committee have stopped by in the past to ask questions and he would like to continue this practice as the Comptroller. This is important not just because the City Council oversees the department, but also because so many of the financial decisions the City makes go through the City Council, and the Comptroller's office has vital information for them to be able to make these decisions. Mr. Curley also explained he has a great relationship with the CFO and they typically meet once a week. This meeting has been used for Munis training but they also use it as platform to discuss any issues that are going on in the City. The Comptroller's Office also works closely with a number of different department heads and Mr. Curley feels he has a good relationship with them and their staff.

In Newton, we embrace, and are strengthened by the unique and diverse backgrounds of our community members and employees. The City believes in fostering and maintaining a safe and welcoming community, which is based on mutual respect for our residents, employees, businesses, and guests. What does diversity, equity and inclusion mean to you and how do you feel you can contribute to these goals as a member of the City's leadership team?

Mr. Curley explained that he believes you need to judge the person for who they are regardless of race, ethnicity or sexual orientation. He further explained the importance of treating everyone with respect. Mr. Curley feels that the Comptroller's Office has done a good job with inclusion when going through the hiring process.

How will you bring in new ways of doing business as the Comptroller?

Mr. Curley explained that there have been things that he has wanted to change and would like to implement as the Comptroller. He would like to be able to sit down with staff and give them a better understanding of the big picture. He further explained that city staff should see how everything comes together so that they can better understand their role. These conversations can also be available for the City Council.

What will you do to grow your staff and yourself over the next few years?

Mr. Curley explained that the former Comptrollers have always pushed for more training for staff. This has been put aside over the past few years due to Covid but Mr. Curley explained that he would like to get that going again. He would also like to focus on Retirement Board training.

How are you with explaining complex topics on a basic level?

Mr. Curley explained that he does this quite a bit. There is staff throughout the City that are paying bills or doing things that are related to accounting that they do not usually deal with. Mr. Curley explained that when the new CPA manager started, he went through all the different projects that were still open and explained the reserve funds with her.

Would it be helpful to direct the Council to different financial reports that are posted online?

Mr. Curley explained that when they are posted these documents can also be sent to the Finance Committee. He can also alert the Council when something abnormal arises.

What is the benefit of becoming a Certified Governmental Accountant as opposed to a CPA and how will this help in your role as the Comptroller?

Mr. Curley explained that he had taken the test to become a Certified Governmental Accountant two years ago and passed it on the first try. There is a portion of the test that deals with municipal law which is beneficial for showing that he understands municipal issues that may happen in cities and towns. Mr. Curley explained that there is section of the test that also deals with the day-to-day tasks of a Comptroller.

Have you given thought on the idea of training other members of city staff on different accounting issues?

Mr. Curley explained that in the past the Comptroller's Office has offered year-end training to different departments and he expressed the importance of bringing that back. He also explained that he did put on one of the trainings for the new Munis payroll system.

What is your experience and comfort level on dealing with questions from the public?

Mr. Curley explained that he has experience dealing with the public. He explained that his time in Treasury helped with his customer service skills. There are also residents that do come into the Comptroller's Office to ask questions about financial reporting.

How would you implement performance reviews for your staff and yourself?

Mr. Curley explained that for himself he will be giving himself goals to get certain reports out to the Council and the public. He will also be trying to get the year-end reports done at least a week earlier than usual. The performance reviews for the staff will also be helpful with going over tasks and to see what each individual needs to improve on. He would like to implement performance reviews every six months.

Councilors discussed the two candidates. Councilors noted that although Mr. Belkin does not have experience in municipal finance operations, he is a CPA with years of management experience. The

Committee expressed support for Mr. Belkin and stated that he could perform the functions of the Comptroller's office with little training. Councilors noted that the Deputy Comptroller, Stephen Curley does not have direct management experience and could be challenged by the leadership role. Councilors noted that Mr. Curley's references include the former Comptroller, Dave Wilkinson, the current Comptroller, Sue Dzikowski and the Director of Assessing, Jim Shaughnessy. Councilors noted that Mr. Curley has been serving as the Deputy Comptroller, is a Certified Governmental Accountant and is successfully completing many of the Comptroller's tasks at the present time. Councilors expressed concerns relative to losing Mr. Curley if he is not appointed as the next Comptroller and noted that he has invested over 10 years with the City even when faced with other opportunities. Councilors emphasized their support for retaining Mr. Curley noting that the City is developing leadership training opportunities. Councilors agreed that succession planning and leadership development should be a priority for city departments.

Councilor Gentile motioned to recommend the appointment of Mr. Curley as the City's Comptroller which passed unanimously.

Respectfully submitted,

Rebecca Walker Grossman, Chair