

Summary of Course Content/ Course Description

FINANCE: JETTING THROUGH FINANCE 1:30 PM

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Where have the years gone?

The brief finance session will be my view on the changing role of the CFO in the past 40 years. An expansion of the article that I wrote for the League Magazine in October 2018.

The session will tie in with how the CFO works with the Municipal Clerk as well as speak to the changes in the clerks role over the same period

It may seem odd to start a speech on municipal government with a quote from Muhammad Ali but it is one that applies not only here but to everyday life. The self-proclaimed greatest of all time once said that 'A man who views the world the same at fifty as he did at twenty has wasted *thirty years* of his life.". I turned 61 in December having now spent 39 years in municipal finance. I entered this field at the age of 22 for the City of Trenton. I have also worked for Lawrence, Ewing, Millstone, Mansfield, Rocky Hill, South Brunswick and DLGS. I did not know when I started at Trenton that this would be my career. Unfortunately, I also did not know then what I know now. I think there is a Bob Seger song in there somewhere.

The only thing that has changed is everything.

I first entered the field of municipal finance from the private sector that had its roots in the public sector, municipal auditing. This was and continues to be a source of the talent that populates the Certified Municipal Finance Officer field. For the most part though the Chief Financial Officer was someone who had been promoted through the ranks, had an accounting background and was essentially handed the responsibility of managing, and then representing the financial condition of a multi-million dollar organization.

In mid to smaller size organizations this responsibility was shared, or in the more severe cases farmed out to the accounting firms who were also, ultimately charged with conducting an independent review of their own work. This has long been the subject of debate among my peers.

The state regulated certification process at its inception was a basic 5-course curriculum administered by Rutgers, with Division of Local Government Services oversight.

Pass the 5 classes- bang- you are a Certified Municipal Finance Officer (CMFO) and you could be appointed as a towns' Chief Financial Officer (CFO).

In 1990 the state broadened the CFO licensing with PL 1988 Chapter 110

Commencing January 1, 1990, no person shall be appointed or reappointed as a municipal finance officer unless he holds a municipal finance officer certificate issued pursuant to the provisions of P.L. 1971, c. 413 and this amendatory and supplementary act.

The law stated that the director shall issue a municipal finance officer certificate pursuant to the provisions of this amendatory and supplementary act without examination and upon application and payment of the fee within one year of the effective date of this amendatory and supplementary act to any municipal finance officer who has been granted tenure and who furnishes proof that he has served as an instructor of, or has successfully 5 completed, the five training courses required pursuant to the 1971 law. In other words. NO STATE EXAM. My license number is O -0057. O for old, as in under the old law with no state exam

Similarly,

In 1985 the state started licensing Clerks through the adoption of the PL 1985 Chapter 174. Reading from the law:

- On or before December 31, 1984, any person holding the office of municipal clerk in any municipality and having held such office continuously for five years from the date of his original appointment shall have tenure in such office and shall not be removed therefrom except for good cause shown after a fair and impartial hearing.
- *The purpose of this bill is to professionalize the office of municipal clerk. It establishes minimum standards for this office and requires that persons who seek to fill the office complete certain courses on the fundamentals of the office.*
- You now have 5 classes, a review course (not required) and a state exam.

At the onset of being a CFO is was about the technical aspects of the job. The accounting, the budget, and the adherence to the then very limited budgetary rules and regulations administered by DLGS. The course structure expanded to an 8-course curriculum with additional emphasis on principles and administration, a non-required review course plus the added two part state administered exam.

THERE HAVE BEEN SIGNIFICANT CHANGES THAT HAVE AFFECTED CFO'S AND CLERKS IN MY NEARLY 40 YEARS. I WANT TO TALK ABOUT THREE OF THEM

CHANGE IN RESPONSIBILITIES

The roles of the CFO and clerks were changing organically, by imposed regulatory, state and federal legislative changes and by necessity.

In addition to the technical nature of the position the CFO is now a budget manager, an HR expert, a payroll administrator, a labor negotiator, a grants administrator, a staff hand holder, the public face on budget decisions, and Merlin the Magician.

The Municipal Clerk is now in many cases either the dual title holder of clerk/administrator or worse yet does not have the admin title or pay but serves as the de facto person in charge.

The CFO and the Clerk seem to be the individuals that staff gravitate to to get stuff done, answer questions about the effect or validity of a process course of action.

The rules keep on changing, from all sides and angles.

First we get a 4 % levy cap, then, wait that's not good enough, so we get a 2% levy cap.

The Affordable Care Act rules are slated to go into effect, then wait the IRS is not ready so they get delayed, now we have two more forms to provide to all employees that they will not understand (or need).

The Cadillac tax will be imposed – maybe – depends on who wins the election.

Every state agency and department is under staffed to the point of local frustration when we need to interact with their alphabet soup of acronyms.

The changes in the securities world force us to rely on outside professionals to be in compliance with rules that have long lasting, significant effect on the well-being of our towns.

The rating agencies continue to paint our local towns with a broad brush that is better left for state and very large government organizations. The process of navigating their reviews requires that the CFO have a global understanding of how federal, state and local decisions can have an adverse effect on a bond rating that translates into real dollars.

The Clerk in the past 15 years has had the burden of OPRA. A law that probably had good intentions of providing my least favorite word in the past 15 years – TRANSPARENCY- to the taxpaying public that their governments were not doing deals in the back rooms of speakeasy's.

It has DEVOLVED into a vehicle that is used for personal and commercial gain. It has DEVOLVED into a mechanism that allows the public to overwhelm the clerk's office with minutia, many times for political gain. If there has been on responsibility change that has affected the role of that office it is this.

PUBLIC INTERACTION/INVOLVEMENT/INTERFERENCE- CALL IT WHAT YOU WANT

The role of the clerk has similarly changed with the advent of social media- like Facebook live broadcasts of public meetings that seek to undermine the integrity of the legislative process by turning it into a side show for the uninformed and faceless cowards who sit at home on their cell phones making public comments in anonymity.

The advent of public meetings being televised has led to longer meetings because elected officials have an audience. Why have a 15 minute mtg when you can have an hour meeting and get free publicity.

BTW the public also like seeing themselves on TV too so public comment may be longer.

Folks with a twitter handle (which is everyone) can say whatever they want in 140 characters and their followers believe it all. It does not matter if is true. They then take that truth to a governing body meeting.. and around and around we go.

Social Media has made everyone an expert on everything which is fine when it is harmless stuff like puppies and which Game of Thrones character you resemble but when it bleeds into OUR daily lives, into the profession that we have worked long and hard to maintain, and into reputations that we have also worked hard to develop then that is a change that I could do without.

Although our meetings in South Brunswick average about 30 minutes before exec. We have even had some less than 15 minutes. The professionals on the dais usually write down a predicted end time.

TECHNOLOGY

Some technology is bad like Social Media when it I used improperly. Some technology is good.

Like the internet which allow us to provide the public access to forms and documents and information that before took up the time of staff in all of our municipal offices. The well-meaning public can stay engaged and informed on what is happening at town hall without the disruption of counter visits and phone calls.

Like Email and Outlook and other electronic platforms and solutions that allow us with just the small movements of a mouse to receive and send data and documents that used to take time to print, put in an envelope and then actually put a stamp on it and wait 3 days for the recipient to get it . It was not that long ago that we did that.

CFO's use to hand write (the CFO in Trenton did) or type ON A TYPEWRITER the AFS and the budget document. Now we do it through the FAST portal. Some would argue they like the old way better but most of those are retiring soon.

Which brings me to Agenda Management Software. I do not advocate one over the other. In fact I have only ever used one product. What we use in South Brunswick and Rocky Hill.

In was not that long ago – less than 10 years I would say- that the agenda was typed in Word- I WONT GO BACK FURTHER THAN THAT- the supporting documents were printed or copied (10 copies maybe) and then assembled like Lucy and Ethel on the chocolate assembly line. It took hours and hours to get the agenda packets together. Forests were destroyed by the 565 towns and 21 counties and 600 plus school districts doing this ridiculously labor intensive operation.

NOW – we upload and download and move items around in different order. We produce a pdf of the agenda. We email it around. We access it on a laptop or a tablet. No trees are harmed in the new world order of government.

It is still a lot of work but that work can now be devoted to substantive issues instead of the mundane tasks of just producing an agenda.

LIKE MAGIC.

All of this may sound like I am advocating that my field of finance and clerk friends are overworked.

I do not believe that we are. But we are busy.

And we are challenged every day by an ever changing landscape that calls on us to wear multiple hats and advocate in areas where we are not being sufficiently trained.

We are not lawyers, or bond counsels, managers (sometimes we are) tax collectors, tax assessors or planners but we must assume those roles on occasion.

These observations and musings on my profession have been made with 39 years of experience at the local, state, higher education and professional organization levels.

I have come to appreciate that all government professionals should strive to leave their organizations better than when they found it. The questions and issues that you discovered those first few years on the job should be long settled.

HOWEVER, there will be new ones for your successors to overcome.

These new hurdles will be more difficult because the world of municipal finance and government in general is more complicated.

However, the same curriculums and teaching methods will not adequately prepare the new generation for the challenges and the changes that confront CFO's and clerks as the laws, regulations and political necessities are in constant flux.

It has always been like this but the changes are far more detailed and intensive now than they have been in the past as municipal resources become increasingly scarce.

In closing,

I challenge the institutions, organizations and associations charged with educating the current and next generation of municipal officials and professionals to provide them with the tools necessary to lead and provide the services to the taxpayers of New Jersey that they deserve.

This association seems to be doing a fine job of doing that.

Thank you