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A City Manager's Perspective on Finance

April 25th, 2023 | [Featured Articles](#)



APRIL 2023

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By Drew Corbett, City Manager, City of San Mateo

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I was hired as the Finance Director for the City of San Mateo in 2015. At that point, I really thought I had arrived at my final career destination. I'd spent the prior ten years in local government finance and had reached what I thought at the time was my dream job: Finance Director of a mid-sized city. A few years later, however, things changed when the City Manager announced his retirement.

It was 2018, and at the time my title was Assistant City Manager, but functionally I was still the Finance Director and was still happy in that role. The City Manager asked me if I were interested in taking over for him, and I still remember how I responded: "I'm not sure I want to be a City Manager, but I am sure that if I don't sit in your chair prior to retiring, I will feel as though I left something on the table." Later that year after a competitive recruitment, the City Council in San Mateo appointed me as City Manager. I have no doubt that a big factor in that decision was the time I had spent as the City's Finance Director and my knowledge of the City's finances.

When I made the transition to the City Manager's role, I found my finance experience to be invaluable. Having knowledge of the big picture (overall City financial outlook) and the details (departmental operating budgets) was extremely helpful as I was navigating the other areas of the job that I needed to learn on the fly. While this knowledge proved essential, I did find that I needed to adjust how I considered the City's finances. This adjustment came down to the difference between two words: "a" and "the." When you are the Finance Director, money is the factor in decision making. When you are the City Manager, money is a factor in decision making. At times this was a hard transition for me, but ultimately it was one I had to make to be able to do my job effectively.

As City Manager, I can't count the number of times I would have made a different decision if the only evaluation criterion were money. With that being said, I simply can't serve in this role if I don't consider the political, community, and operational aspects of decisions I have to make in addition to considering the financial impact. As an example, during the early stages of the COVID-19 pandemic, the City Council was interested in making a General Fund contribution to a county-based fund that would provide grants to small businesses to keep them open. This was before some of the federal funds came through, and it was also a time when our financial picture was very uncertain because many of our major revenue sources were badly impacted as a result of the pandemic. If the financial implications were the only factor in this decision, I would not have recommended that the City make a contribution to this fund. The financial implications, however, had to be weighed against a number of other considerations, and ultimately I needed to make a recommendation to the City Council on what we could afford, and it was not an insignificant amount of money (enough, I think, to keep the Finance Director up at night). In this case, as has been the case in a number of decisions during my time as City Manager, the financial implications of a decision were outweighed by other considerations.

During my time in finance, I prided myself on being solution oriented. Part of that orientation was something seared into my memory by an experienced colleague early in my career, which was the notion that as a city, we can do anything, we just can't do everything. With tight budgets that barely cover core services, funding new initiatives, no matter how important, is tough. Ultimately, everything becomes a trade-off and some things have to be prioritized over others. While prioritization is difficult for elected bodies,

as they often want to do everything, navigating these trade-offs and finding solutions is an essential skill for both City Managers and Finance Directors.

Regardless of your role in the finance department or whether you not you aspire to become a City Manager, I encourage you to embrace the role you have in finding solutions to the financial issues that arise in your agency. While it is always easy to point to the fact that some new initiative is not in the budget, so it will have to wait until it is, the reality is that sometimes things just can't wait. As such, being a key player in identifying potential solutions and tradeoffs and determining a path forward will be of great value to your organization and most appreciated by your City Manager or chief executive.

Drew Corbett is the City Manager for the City of San Mateo and has also served the Cities of Sunnyvale and Menlo Park. Drew served as CSMFO's President in 2017.