THE HANDBOOK
AN MSU LOCAL GOVERNMENT CENTER E-BRIEF
HIGHLIGHTS

4.109 Establishing Budget Goals

Municipal Officials Handbook p. 131

The governing body and the chief-executive must establish a routine that enables the governing body to undertake and complete an *annual goal-setting process*, however formal or informal the process may be, prior to the time the chief-executive must initiate the assembly of the executive budget. This essential and prerequisite step to effective budgeting may not always be free of conflict but it is likely that the conflict will focus on competing goals and priorities rather than on the micro-management details of budget implementation. In short and as stated at the outset, effective budgeting in local government requires that the members of the governing body simply must take the time to formulate, articulate and agree upon their fundamental goals and priorities before they approve the allocation of precious public resources. In doing so, they will find preparation of the budget and the annual budget message is much easier to accomplish and that the publics' trust in their government is more forthcoming.

The governing body's *goal setting process* can be as simple as a scheduled and noticed discussion of next year's top two or three goals of each member of the governing body, along with input from the mayor or manager or department heads. These relatively informal, intra-governmental discussions should, of course, be followed by an opportunity for public comment and input. Of utmost importance, however, is that some formalized process (voting) should be undertaken to find agreement by the commission or council on its collective goals and priorities for the coming year. The agreed upon and written goals and priorities, whether the result of informal discussions or of a more rigorous, facilitated and multi-year goal setting process, should then be provided to the executive branch early enough in the budget cycle to serve as guidance to the mayor or manager as they go about assembling the preliminary budget for council approval.

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