

AGENDA
CHARTER REVIEW COMMISSION

Wednesday, September 10, 2025, 8:00 a.m.
Council Office Building, 4th Floor, 100 Maryland Ave., Rockville, MD
[Zoom Link](#) – Password: 443949

(All times are approximate)

8:00 a.m. - I. Administrative Matters

- Acknowledgment of a quorum
- Approval of agenda
- Approval of minutes of July 9, 2025 meeting

8:10 a.m. - II. Chair's Report

- Invitation to Councilmembers and County Executive (see Attachment 1)
- Proposal for Revised Schedule (see Attachment 2)
- Discussion of scheduling for public listening sessions

8:25 a.m. - III. Budget Reserves Workgroup (Commissioners Naftal, Persh, and Presman)
Discussion led by workgroup on Charter Section 310 – Surplus (copy of section 310 is in Attachment 3)

Background: Currently, the County has two main reserve funds: (1) the Unrestricted General Fund Balance (UGFB) governed by Charter Section 310 (5% cap); and (2) the Revenue Stabilization Fund (RSF) created by the County Code. The County's Reserve Policy sets a 10% target for the combined reserves in the UGFB and RSF. As drafted in 1968, Sections 310's limit of 5% for surplus in the UGFB would represent about half of the 10% target established in the County's reserve policy. In practice, however, the UGFB represents a small fraction of the current reserves because the vast majority of the current reserves are actually held in the RSF rather than the UGFB. The County's financial advisors recently issued a report recommending that the County revise its reserve policy and create, through legislation, two additional reserve funds (a Risk Mitigation Reserve with a 2.0% target and Capital Reserve with a 1% target).

Discussion: The Workgroup will lead a discussion focused on the following points as potential topics for a Charter amendment:

1. A Comprehensive Reserve Policy
2. Incorporating the Existing Reserve Policy Framework and Budgeting Rules
3. Explicit Criteria for Annual Contributions
4. Defining the Withdrawal Processes

9:10 a.m. - IV. Finance Workgroup (Commissioner Persh)

Funding the County's infrastructure and growth-related needs under Charter Section 302 (copy of section 302 is in Attachment 3).

- The County Council formed an Infrastructure Funding Workgroup to look at ways of raising revenues to pay for County infrastructure projects. Discussion led by Commissioner Persh on why no action by the Commission is needed at this time.

9:20 a.m. - V. Staff Updates or Comments

ADJOURN

REMINDER FOR NEXT MEETING

Next Commission meeting is Wednesday, October 9, 2025, at 8:00 a.m.

Attachment 1

Dear Council members,

I am writing on behalf of the Charter Review Commission.

As you know, a ballot issue committee was formed by the “Committee to Control Montgomery County Spending” (“CMS”) and CMS is circulating petitions to place a proposed Charter amendment on the ballot in November 2026. The Charter Review Commission has decided to review the CMS proposal for the purpose of informing the public and reporting the Commission’s recommendations on the proposed change.

The Commission could include its views and recommendation on the CMS proposal in the report we expect to file with the Council by April 30, 2026. Alternatively, the Commission could decide to wait and issue its recommendations only after the Board of Elections determines whether CMS’s petition has obtained enough signatures to place its proposal on the ballot. That could result in the Commission issuing a separate report on the CMS proposal in June or July 2026.

The Commissioners would very much like to hear and consider the views of Council members regarding the CMS proposal. We invite you to provide your views for inclusion in the public record in any manner that is convenient for you. Such input aids Commissioners in their analysis of the issue. There are several options.

The Commission would be glad to have you present your views in person at one of our regularly scheduled public meetings, ideally before the Commissioners vote on the matter at our February, 2026 meeting. We would also welcome your submission of written comments. A third option would be presenting your views at one of the public listening sessions that the Commission plans to hold in November 2025. I recognize, however, that some Council members might prefer to present their views only after the Commission submits its report, as a response to the Commission’s recommendation.

We look forward to hearing from you.

Jim Michaels, Chair
Charter Review Commission
Mobile # (202) 422-4614

Attachment 2

Proposed Schedule Going Forward (Revised 9/4/2025)

- Continuous: process responses to the Commission's invitation to Councilmembers and the County Executive to present their views, in-person or in writing, on the ballot initiative that seeks a charter amendment on budget approvals.
- October 8 meeting: Discuss and decide which proposed Charter amendments should be presented for public input at our public listening sessions. Approve dates and locations for public listening sessions.
- October 14-21: Publish a Notice of Listening Sessions for the issues we intend to include in our April 2026 Report.
- November 12 meeting: Planning for upcoming listening sessions. Commissioners or working groups continue to report on their research or findings related to possible charter amendments.
- November 17 - December 8: Window for holding public listening Sessions (in-person and virtually)
- December 10 meeting: Recap and discussion of public listening sessions
- January 14 meeting: Formal presentations by Commissioners or working groups in support of any proposed Charter amendments
- February 11 meeting: Straw votes that determine Commissions' majority position on any proposed charter amendments and to establish drafting responsibilities for our report.
- February 11 – March 11: Report drafting period
- March 11 meeting: Review and Discussion of the draft 2026 report
- March 11 – March 31: period for making final edits to 2026 Report
- April 8 meeting: Formal vote to formally adopt the Commission's 2026 Report
- April 9-22: Staff preparation, printing and submission of Final 2026 Report to the Council (statutory deadline is May 1)
- June: Council hearing on Commission's 2026 Report

Attachment 3

Excerpts from Montgomery County Charter

Sec. 302. Six-Year Programs for Public Services, Capital Improvements, and Fiscal Policy.

The County Executive shall submit to the Council, not later than January 15 of each even-numbered year, a comprehensive six-year program for capital improvements. The County Executive shall submit to the Council, not later than March 15 of each year, comprehensive six-year programs for public services and fiscal policy. The six-year programs shall require a vote of at least six Councilmembers for approval or modification. Final Council approval of the six-year programs shall occur at or about the date of budget approval.

The public services program shall include a statement of program objectives and recommend levels of public service by the County government, and shall provide an estimate of costs, a statement of revenue sources, and an estimate of the impact of the program on County revenues and the capital budget.

The capital improvements program shall include a statement of the objectives of capital programs and the relationship of capital programs to the County's long-range development plans; shall recommend capital projects and a construction schedule; and shall provide an estimate of costs, a statement of anticipated revenue sources, and an estimate of the impact of the program on County revenues and the operating budget. The capital improvements program shall, to the extent authorized by law, include all capital projects and programs of all agencies for which the County sets tax rates or approves budgets or programs. The Council may amend an approved capital improvements program at any time by an affirmative vote of six Councilmembers.

The fiscal program shall show projections of revenues and expenditures for all functions, recommend revenue and expenditure policies for the program period and analyze the impact of tax and expenditure patterns on public programs and the economy of the County.

The County Executive shall provide such other information relating to these programs as may be prescribed by law.

All capital improvement projects which are estimated to cost in excess of an amount to be established by law or which the County Council determines to possess unusual characteristics or to be of sufficient public importance shall be individually authorized by law; provided however, that any project declared by the County Council to be of an emergency nature necessary for the protection of the public health or safety shall not be subject to this requirement if the project is approved by the affirmative vote of seven Councilmembers. Any project mandated by law, statutory or otherwise, interstate compact, or any project required by law to serve two or more jurisdictions shall, likewise, not be subject to this requirement. The County Council shall prescribe by law the methods and procedures for implementation of this provision.

(Note: Underlined sentence is the subject of the ballot initiative petitions.)

Sec. 305. Approval of the Budget; Tax Levies.

The Council may add to, delete from, increase or decrease any appropriation item in the operating or capital budget. The Council shall approve each budget, as amended, and appropriate the funds therefor not later than June 1 of the year in which it is submitted.

An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than the annual average increase of the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or any successor index, for the twelve months preceding December first of each year requires the affirmative vote of seven Councilmembers. For the purposes of this section, the aggregate operating budget does not include: (1) the operating budget for any enterprise fund; (2) the operating budget for the Washington Suburban Sanitary Commission; (3) expenditures equal to tuition and tuition-related charges estimated to be received by Montgomery College; and (4) any grant which can only be spent for a specific purpose and which cannot be spent until receipt of the entire amount of revenue is assured from a source other than County government.

The Council shall annually adopt spending affordability guidelines for the capital and operating budgets, including guidelines for the aggregate capital and aggregate operating budgets. The Council shall by law establish the process and criteria for adopting spending affordability guidelines. Any aggregate capital budget or aggregate operating budget that exceeds the guidelines then in effect requires the affirmative vote of eight Councilmembers for approval.

By June 30 each year, the Council shall make tax levies deemed necessary to finance the budgets. Unless approved by an affirmative vote of all current Councilmembers, the Council shall not levy an ad valorem weighted tax rate on real property to finance the budgets that exceeds the ad valorem weighted tax rate on real property approved for the previous year. The weighted tax rate is calculated by determining the sum of each property tax rate adjusted by the proportion of assessable base that is charged that tax rate.

A ballot issues committee is circulating petitions seeking support for an amendment to paragraph 2 of Section 305. The following paragraph shows the petitioners' proposed charter amendment. Proposed additions are shown in underlining and proposed deletions are shown in "strike through."

An aggregate operating budget which exceeds the aggregate operating budget for the preceding fiscal year by a percentage increase greater than the annual average increase of the Consumer Price Index for all urban consumers for ~~the Washington-Baltimore metropolitan area~~ the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area, or any successor index, for the twelve months preceding December first of each year requires the affirmative vote of ~~seven~~ all current Councilmembers. For the purposes of this section, the aggregate operating budget does not include: (1) the operating budget for any enterprise fund; (2) the operating budget for the Washington Suburban Sanitary Commission; (3) expenditures equal to tuition and tuition-related charges estimated to be received by Montgomery College; and (4) any grant which

can only be spent for a specific purpose and which cannot be spent until receipt of the entire amount of revenue is assured from a source other than County government.

Sec. 310. Surplus.

The County may accumulate earned surplus in any enterprise fund or unappropriated surplus in any other fund. With respect to the General Fund, any unappropriated surplus shall not exceed five percent of the General Fund revenue for the preceding fiscal year. An unappropriated surplus may be used to fund any supplemental or special appropriations.