

AGENDA
CHARTER REVIEW COMMISSION
Wednesday, July 9, 2025, 8:00 a.m.
Council Office Building, 4th Floor, 100 Maryland Ave.
Rockville, MD 20850 - [Zoom Link](#) – Password: 954939

(All times are approximate)

8:00 a.m.

I. Acknowledgment of Quorum & Consent to Proceed with Guest Speaker

8:03 a.m.

II. Speaker: Gene Smith, County Council's Deputy Director for Budget and Policy

- Remarks
- Question and answer session

Topics:

- 1) Charter Section 310 – Surplus (General Fund with 5% cap vs. Revenue Stabilization Fund)
- 2) Ballot initiative petition to revise Charter Section 305 – Approval of the Budget

8:40 a.m.

III. Administrative Matters and Chair's Report

- Approval of Agenda
- Approval of minutes of June 11, 2025, meeting
- Western Citizens Advisory Board: presentation made on June 16, 2025
- Response from East County CAB: awaiting scheduling (no reply yet from Silver Spring CAB)

8:45 a.m.

IV. Follow-Up Discussion on Budget Reserves (Commissioner Naftal)

- Discussion on Charter Section 310 – Surplus (copy attached)

9:00 a.m.

V. Finance Workgroup (Commissioner Persh)

- Topic: Funding the County's infrastructure and growth-related needs under Charter Section 302 (copy attached).
- Discussion of possible coordination between Commission members and the Council's recently established Infrastructure Funding Workgroup: effort to produce "actionable results" related to impact taxes and other sources of revenue.

9:10 a.m.

VI. Tax Levies - Changes in Tax Rates under Charter Section 305 (Commissioner Nachtsheim)

- Topic: Should changes in the property tax rates under Charter Section 305 (copy attached) be tied to changes in the consumer price index and/or to some measurement of gross domestic product, if that is measureable?

9:20 a.m.

VII. Staff Updates or Comments – Any public comments received since the last update?

9:25 a.m.

VIII. Discussion of Proposed Schedule Going Forward

- July 2025: Invite Council members and County Executive to present their views (presented in- person or in writing) concerning the ballot initiative that seeks a charter amendment to limit spending
- Sept. 10 meeting
- Oct. 8 meeting: Vote on which proposed Charter amendments should be presented for public input at listening sessions. Approve dates and locations for public listening sessions.
- Oct. 10-14: Publish a Notice of Listening Sessions on the issues we intend to include in our April 2026 Report
- Oct 27- Nov 21: Window for holding public listening Sessions (in-person and virtual)
- Nov. 12 meeting: Commissioners or working groups continue to report on their research or findings related to possible charter amendments
- Dec 10 meeting: Recap and discussion of public listening sessions
- Jan 14 meeting: Formal presentations by Commissioners or working groups in support of their proposed Charter amendments
- Feb 11 meeting: Straw votes to determine Commissions' majority position on any proposed charter amendments and to establish drafting responsibilities for our report
- Feb 11 – March 11: Report drafting period
- March 11 meeting: Review and Discussion of draft 2026 report
- March 11 – March 31: Final edits to 2026 Report
- April 8 meeting: Vote on adoption of Final 2026 Report
- April 9-20: 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

ADJOURN

REMINDER FOR NEXT MEETING

- August Recess
- Next Charter Review Commission meeting is Wednesday, September 10, 2025, at 8:00 a.m.

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 petition.)

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.

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.