

## CHARTER REVIEW COMMISSION

December 10, 2025 – 8:00 a.m.  
Council Office Building, 4<sup>th</sup> Floor  
100 Maryland Avenue  
Rockville, MD 20850

### Minutes

<b>Commission Members Present:</b> Jim Michaels, Chair (Virtual) Marvin Lynch Michael Persh Jeffrey Naftal (Virtual) Sherry Brett-Major David Nachtsheim (Virtual) Howard Denis (Virtual) Dylan Presman (Virtual) Sarah Andrew Wilson (Virtual) Alicia Figueroa (Virtual)	<b>Staff Present:</b> Stephen Mathany, Office of the County Council Dale Tibbits, Office of the County Executive Amina Haleem, Office of the County Attorney (Virtual) Michael Coveyou, Director, Department of Finance
<b>Commission Members Absent:</b> Jorge Quintana	

**Commission Chair Jim Michaels called the meeting to order with a quorum at 8:09 a.m.**

#### I. Administrative Matters

- December 2025 agenda adopted by unanimous consent. (Commissioner Presman moved, seconded by Commissioner Lynch).
- Minutes from the November 12, 2025 meeting were approved with one change. Commissioner Presman was added as a member under section IV. of the minutes. (Commissioner Presman moved, seconded by Commissioner Naftal)

#### II. Guest Speaker regarding Section 310: Michael Coveyou, Director, Department of Finance

- Montgomery County's fiscal policies are considered robust and highly rated by credit agencies.
- Current reserve policies are codified in law and resolutions, not in the Charter, which provides flexibility and is viewed favorably by rating agencies.
- Placing detailed reserve requirements in the Charter could reduce flexibility and risk a credit rating downgrade, increasing borrowing costs and overall financial risk.
- Rating agencies prioritize flexibility and "evergreen" policies; codifying specifics in the Charter may be seen negatively.
- Current practice treats the 10% reserve target as a floor, not a cap.
- The Revenue Stabilization Fund (RSF) and other reserve mechanisms are governed by law and resolutions, allowing adjustments as needed.
- Formal fiscal policies were introduced after the 2010 economic downturn and have been updated periodically.

- On the ballot initiative (Section 305): Director Coveyou expressed personal concern about requiring unanimous Council votes for certain budget approvals.
- Emphasized that any Charter changes should be carefully evaluated for unintended consequences and market perception.

### **III. Budget Reserves Workgroup Discussion**

- The workgroup reiterated its goal: exploring whether the Charter should include a broad principle requiring reserves and a process for managing them, without prescribing rigid details.
- Members acknowledged Coveyou's caution about rating agency concerns and agreed to consider language that is general and flexible.
- The group will prepare draft proposals for discussion at the January meeting.

### **IV. Comments on Public Listening Sessions**

- Only one member of the public testified during the listening session.
- The Commission does not plan to hold additional listening sessions at this time.

### **V. Next Steps**

- Commissioners planning to propose Charter amendments must submit written drafts to the Chair by January 6 for inclusion in the January 14 meeting agenda.
- January meeting will feature formal presentations of proposed amendments (with written summaries or draft text).
- February meeting will include discussion of alternatives and straw votes to determine majority positions.
- Final report to the Council is due May 1, 2026.

**The meeting was adjourned at approximately 9:32 a.m.**