

Good afternoon Council President Friedson, Councilmembers, Staff and Community Members.

My name is Esther Wells and I am the President of the Montgomery County Taxpayers League (MCTL).

To learn more about us, please check us out at our:

Website: www.mctaxpayersleague.org

Facebook: [@MC TL](https://www.facebook.com/MC TL)

Twitter/X: [@MoCoTaxpayers](https://twitter.com/MoCoTaxpayers)

E-mail: PresidentMCTL@gmail.com

The **Objective** of the Montgomery County Taxpayers League is to educate and advocate for county taxpayers. We support appropriate actions to achieve greater efficiency and effectiveness in Montgomery County Government and tax equity for Montgomery County taxpayers.

I want to reiterate that Taxpayers share the same values as the County Government. We want to have a balanced budget that fully funds all the items that Taxpayers believe are important.

This year the Council voted 7-4 in favor of a 4.7% property tax rate increase to fund our schools. In hindsight, there wasn't a budget emergency last year that required a tax rate increase, which is evidenced by the 15% fund balance reserve, above and beyond the required 10%.

Thank you, Council President Friedson, for your courage to be the only Councilmember to vote "No" to any property tax hike. Your fiscal stewardship of Taxpayers' hard earned money has MCTL optimistic about this budget season.

Taxpayer fatigue is one of the leading causes for residents and businesses choosing to migrate to places outside of Montgomery County and Maryland. Montgomery County must focus on growing its economy and remaining competitive. We cannot tax or fee our way into more revenue.

MCTL's Recommendations are as follows:

1st: MCTL recommends that the Council reverse the 4.7% property tax increase and impose inflation limit on revenue increase to CPI, which will get the reserve down to 10%. Last month, MCTL leaders advocated to the Charter Review Commission to oppose all three potential Charter amendments. Without the loophole in MD state law to circumvent Montgomery County voter's desire for unanimous vote for property tax increase, this year's tax hike would not have happened.

2nd: The County's stated policy of using one-time revenues for one-time spending is a good one and the Council should stick to it. **MCTL recommends that the Council return to taxpayers the excess reserves. Alternatively, Council should utilize the excess reserve for high interest debt reduction to reduce the operating budget impact,** which is currently 6.4% or \$450M for payments and interest.

3rd: **MCTL recommends that the Council eliminate its use of General Fund supplemental and special appropriations** to approve and fund non-emergency spending outside of its regular budget process.

Combining these three recommendations with spending cuts and reducing County Government will establish an Operating Budget that is accountable and transparent to Taxpayers.

Lastly, comment for **MCPS is to restore funding for GoGuardian, it works & I've personally seen the benefits of it for Special Education.** It's a discrete tool that redirects behavior without drawing negative attention to the student Infront of their peers. **Cost benefit is there.**

Thank you

Charter Review Commission – Potential Charter Amendments

The Commission has tentatively considered and seeks public input on the following potential Charter amendments:

1. Whether to amend the Charter to provide for voters to directly elect one At-Large member of the County Council to also serve as the Council President for four years, a position that would coincide with that person's four-year term as an At-Large member. This would be an amendment to Section 108 of the Charter.
 - An alternate proposal would have Council members choose a President for a two-year term instead of the one-year term that historically has been used. The Council could accomplish this by adopting an operating rule, enacting legislation, or through a Charter amendment.
2. Whether to amend Section 305 of the Charter to make several provisions more consistent in how the Council makes decisions concerning the operating budget and property tax revenue.
 - In the current budget process, the Council uses multiple variables, including the inflation rate and projections about expected revenue from income taxes and property taxes, to create spending affordability guidelines. Subsequently, the County Executive submits to the Council a proposed operating budget, which may or may not be within the Council's previously stated spending guidelines. The Council must then enact an operating budget.
 - Section 305 of the Charter establishes three different voting levels for the Council to finalize its operating budget:
 - If the Council decides to approve operating budget expenditures that exceed the previous year's operating budget by more than the increase in the consumer price index, the Council must approve that budget with seven votes instead of a simple majority, which is six votes.
 - However, if the proposed operating budget exceeds the Council's own previously stated spending affordability guidelines, it must approve the budget with eight votes.
 - If the Council decides the property tax rate should be increased by any amount to produce the revenue needed to fund its operating budget, that decision must be approved unanimously by all Council members. Today, that requires all eleven Council members to agree, but when the requirement for unanimous approval was initially created, there were only nine Council members.
 - Public input is solicited on whether Section 305 of the Charter should be amended to create consistency and require a two-thirds majority for all three actions listed in Section 305. A two-thirds majority would require eight votes in the existing 11-member Council.
3. Whether to amend Section 215 of the Charter to allow the County Executive to fill non-merit positions without the confirmation of the Council when the position does not involve the head of a department or principal office or the head of an agency of the Executive Branch. Currently, there are at least 36 non-merit positions that would be covered by the amendment, that currently receive Council confirmation. By comparison, there are at least 23 non-merit positions that are heads of a department, principal office or agency that would remain subject to Council confirmation.
 - As an alternative proposal, if Section 215 is not amended to eliminate the requirement for Council confirmation for certain non-merit positions, should the Charter be amended to allow

the County Executive's appointments for non-merit positions to become final if the Council does not act to confirm, reject, or defer the appointment within 45 days, or some other time specified in the Charter amendment?

References:

https://www.montgomerycountymd.gov/COUNCIL/budget_summary/index.html

<https://moco360.media/2024/01/29/surprised-by-your-maryland-property-tax-assessment-heres-when-to-consider-filing-an-appeal/>

<https://montgomeryperspective.com/2023/05/18/tax-hike-number-three/>

<https://montgomeryperspective.com/2024/03/13/can-a-tax-hike-lead-to-less-revenue/>

<https://montgomeryperspective.com/2023/12/19/was-last-springs-property-tax-hike-necessary/>

https://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/FY25/psprec/FY25_Recommended_Budget.pdf