

Montgomery County Council Infrastructure Funding Workgroup

APPROVED MINUTES

Friday, November 14, 2025

9:05 AM to 11:30 AM

Council Office Building, Potomac River Conference Room, 6th Floor

Present Members

- Gene Smith, County Council Staff
- Bilal Ali, County Council Staff
- Lisa Govoni, Montgomery County Planning Department
- Darcy Buckley, Montgomery County Parks Department
- Gary Nalven, Montgomery County Office of Management and Budget
- Haley Peckett, Montgomery County Department of Transportation
- Katie Mencarini, Montgomery County Planning Department
- Robert Goldman, Montgomery Housing Partnerships
- Mike Henehan, Bozzuto Development Company

Absent Members

- Livhu Ndou, County Council Staff
- Adnan Mamoon, Montgomery County Public Schools (MCPS)
- Todd Fawley-King, Montgomery County Department of Finance

Other County and Agency Staff Participating

- Stephen Kenny, County Council Staff
- Andrea Swiatocha, Deputy Chief, Division of Facilities Management (MCPS)

Call to Order

The meeting was called to order at 9:05 AM.

Action – Approval of October 24 Minutes

The minutes from the October 24, 2025 meeting were reviewed and approved without amendment.

Discussion and Preliminary Decisions – Select Items

The Workgroup discussed and refined the focus of several items as noted on the agenda.

- 1) Identify the likely data and years to include in the background for the report.

The Workgroup supported comparing years where generational investments occurred, as opposed to random years.

The Workgroup supported that the final report should include breakout details for certain years that had significant investment (e.g., breakdown in spending within the Capital Improvement Program (CIP)).

The Workgroup discussed the costs of construction in a green field compared to infill development. Mike Henehan and Haley Peckett both shared they would review some case studies to possibly use as examples in the report.

The Workgroup discussed whether the County's recent investments (e.g., the last 20 years) were for growth-related investments (i.e., for capacity needs) or for policy decisions. For example, the decision to invest in a Bus Rapid Transit, while adding some capacity, is primarily a policy decision to encourage residents to shift their mode of transportation. The Workgroup supported exploring this concept in more detail.

The Workgroup supported estimating the value of developer payments for certain infrastructure investments. Katie Mencarini and Haley Peckett shared they could review what data is available by their respective agency.

- 2) Identify which jurisdictions to research as case studies for alternative funding structures.

The Workgroup supported the comment that it should review and include jurisdictions that have alternative funding sources or structures that the County should emulate (e.g., sales tax). Darcy Buckley, Lisa Govoni, Livhu Ndou, and Katie Mencarini volunteered to work on researching comparable jurisdictions.

The Workgroup supported reviewing data that could estimate a sales tax in the County.

- 3) Identify the major categories for capital funding (e.g., maintenance, growth-related, etc.), so the agencies can update their capital funding data.

The Workgroup supported the following terms:

Planned Lifecycle Asset Replacement (PLAR)/Maintenance: expenditures required to support previous investments.

Renovations/Upgrades: expenditures required to meet current standards or replacement of outdated infrastructure that does not significantly add to capacity.

Net New Capacity: expenditures that significantly add to capacity due to population growth.

The Workgroup supported each agency to review its CIP expenditures, current and planned, and use these categories to refine the data.

The Workgroup supported each agency determining if it is possible to split expenditures when a project does not perfectly fit into one of the three categories (e.g., 90% renovation, 10% net new capacity).

The Workgroup supported each agency estimating the value of PLAR/Maintenance expenditures that are included in its operating budget.

- 4) Identify the metrics to use for the County's debt capacity.

The Workgroup generally supported the use of the County's current debt capacity analysis, with the consideration of including all property tax revenues as part of one of the metrics.

Discussion – Preview of Work for December 12, 2025 meeting

The Workgroup reviewed items for the upcoming meeting.

- 1) Reviewing the estimates for each of the agencies' future maintenance needs.

The Workgroup supported the use of the terminology previously noted when categorizing future needs expenditures. The Workgroup refined this approach with the expectation that this data would be available by December 1, 2025 for review.

- 2) Reviewing the estimates for unconstrained policy investments for each of the agencies.

The Workgroup supported that each agency may propose future unconstrained policy investments for presentation at the next meeting.

- 3) Reviewing the data on increase in expenditures for planning, design, and supervision (PDS).

Gary Nalven presented preliminary data on the changes of PDS expenditures in the Transportation CIP. The Workgroup supported another data (e.g., 2004) to determine if these expenditures have increased linearly or not.

- 4) Reviewing the preliminary estimates for various rates using the capital cost estimates and a matrix to meet the Council's resolution requirements.

Bilal Ali presented the model he and Todd Fawley-King have assembled to estimate various ad valorem real property tax or a square footage fee rate. The Workgroup asked questions to assist in refinement of the model.

Adjournment

The meeting was adjourned at 11:30 AM.