



May 19, 2008
REGULAR SESSION #10
MAYOR & CITY COUNCIL

Present:

Mayor Richard W. Meehan
Council President Joe Mitrecic
Council Secretary Nancy Howard

Council Member Jim Hall
Council Member Jay Hancock
Council Member Mary Knight
Council Member Lloyd Martin
Council Member Margaret Pillas

ATTENDANCE

City Solicitor Guy Ayres, City Manager Dennis Dare, Assistant to City Manager Kathy Mathias, Finance Administrator Martha Lucey, Emergency Services Director Joe Theobald, Emergency Medical Services Captain Chuck Barton, Ocean City Volunteer Fire Chief Chris Larmore, Special Events Coordinator Lynda Brittingham, Deputy City Clerk Kelly Allmond, Members of the Press and interested parties. City Clerk Carol Jacobs was absent.

CALL TO ORDER

Council President Joe Mitrecic called this Regular Session to order at 6:02 p.m., in the Council Chambers of City Hall, 301 Baltimore Avenue, Ocean City, Maryland 21842.

PRAYER & PLEDGE

Reverend Norman Poultney of Atlantic Methodist Church led the Prayer and Council Member Jim Hall led the Pledge of Allegiance.

REPORT FROM CITY MANAGER ON UPCOMING WORK SESSION

City Manager Dennis Dare advised that the following items are scheduled in the upcoming work session:

1. Request for approval for an extension to the MGH Advertising Contract – presented by Tourism/Convention Center Director Mike Noah
2. Update on Municipal Legislative Issues – presented by Maryland Municipal League Executive Director Scott Hancock and Government Relations Director Candace Donoho
3. Telling the Story – Cultural and Economic Business Venture – presented by Edward S. Lee, NAACP
4. Review and approval of the Memorandum of Understanding with the Ocean City Volunteer Fire Company – presented by City Solicitor Guy Ayres

APPROVAL OF MINUTES

The Minutes for Regular Session #9, dated May 5, 2008, were approved as presented.

ITEMS PRESENTED BY THE MAYOR AND CITY COUNCIL

- A. Mayor Rick Meehan presented a Proclamation designating May 25-31, 2008 as **National Hurricane Awareness Week**. Present to accept this proclamation was Emergency Services Director Joe Theobald
- B. Mayor Meehan presented a Proclamation designating May 18-24, 2008 as **Emergency Medical Services Week**. Present to accept this proclamation was Emergency Medical Services Captain Chuck Barton, accompanied by Fire/EMS Lieutenant Tom Kane and Firefighter/EMTs Andy Grunden, Jerell Thomas, Tim Peters, Carolyn Walston and Ryan McCready.
- C. Mayor Meehan presented Assistant to City Manager Kathy Mathias with an award from the Maryland Chapter of the American Society for Public Administration for her demonstrated leadership in community education.

SPECIAL EVENTS PERMIT REQUESTS

Special Events Coordinator Lynda Brittingham presented the following events for approval:

- A. **Geico Offshore Grand Prix**, May 31st – June 1, 2008, from 4th Street to 42nd Street, on the Atlantic Ocean, 500 yards off the Beach. Present for comment was Ed Smith, President of OPA Racing, LLC. **Council Member Mary Knight moved to approve; seconded by Council Member Jim Hall. The vote was unanimous.**
- B. **2008 Maryland State Firemen's Association Parade**, Wednesday, June 18, 2008, from the Inlet Lot to 9th Street, on Baltimore Avenue. Present for comment was former Ocean City Volunteer Fire Chief Roger Steger. **Council Member Jim Hall moved to approve with a 2009 Date Hold; seconded by Council Member Mary Knight. The vote was unanimous.**
- C. **National High School Coaches Association (NHSCA) Beach Wrestling**, Thursday, June 26, 2008, on the Caroline Street Beach, from 3:00 p.m. to 7:00 p.m.. Present for comment was Organizer Andy Wisk. **Council Member Jim Hall moved to approve; seconded by Council Secretary Nancy Howard. The vote was unanimous.**

PUBLIC HEARING: Constant Yield Tax Rate



**THE TOWN OF OCEAN CITY NOTICE
OF A PROPOSED
REAL PROPERTY TAX INCREASE**

The Mayor and City Council of the Town of Ocean City proposes to increase real property taxes.

1. For the tax year beginning July 1, 2008, the estimated real property assessable base will increase by 15.5%, from \$10,201,135,362 to \$11,780,002,567.

2. If the Town of Ocean City maintains the current tax rate of \$.41 per \$100 of assessment, real property tax revenues will increase by 15.5% resulting in \$6,473,356 of new real property tax revenues.

3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$.355, the constant yield tax rate.

4. The Town of Ocean City is considering not reducing its real property tax rate enough to fully offset increasing assessments. The Town proposes to adopt a real property tax rate of \$.395 per \$100 of assessment. This tax rate is 11.3% higher than the constant yield tax rate and will generate \$4,712,001 in additional property tax revenues.

A public hearing on the proposed real property tax increase will be held at 6:00 p.m. on May 19, 2008 at City Hall, 301 Baltimore Avenue, Ocean City Maryland.

The hearing is open to the public, and public testimony is encouraged. Persons with questions regarding this hearing may call (410) 289-8941 for further information.

Property Owner John Collins said the increasing tax assessments is causing hardship to his summer house rental business.

Bob Albrecht asked how this tax rate change will affect his application for a Homestead Tax Credit and the Homeowner's Property Tax Credit. Finance Administrator Martha Lucey explained that the amount of the Homestead tax credit is the actual assessment, less the prior year taxable property assessment, plus 3%.

Citizen Jim McGinniss said it is too expensive to eat in Ocean City because of the increased tax rate.

Citizen Carol Krimm asked about recently-passed legislation allowing special tax considerations to historic amusement parks and commercial waterfront properties. The Mayor said that, although the House Bills were passed, the Town has granted no such special tax consideration; and, he added that the Trimper Family has not requested a special tax consideration.

Secondly, Ms. Krimm questioned the status on the Town's request for a tax differential. The Mayor advised that the Worcester County Board of Commissioners denied this request.

NEW BUSINESS

- A. Madalaine How, Chairperson of the Quality of Life Task Force reported on their efforts to advocate and administrate the foreign student workforce. She recognized all 10 Committee Members and thanked the Council for their support.
- B. Tom Allen of the Downtown Association asked the Mayor and Council for approval to change the venue of the Downtown Association's Summer Flea Market from Worcester Street to the 65th Street Public Safety Building's parking lot. The Mayor stated his opposition to the move because the Flea Market's original purpose was to draw foot traffic and business to the downtown area. City Manager Dennis Dare asked for time to consult with the Departments affected by this change. Council Member Jim Hall made the recommendation to schedule the hours of operation from 9:00 a.m. to 3:00 p.m., on Saturday's only. **Council Secretary Nancy Howard moved to approve this change the flea market's venue to the 65th Street Public Safety Building parking lot on Saturdays from 9:00 a.m. to 3:00 p.m.; seconded by Council Member Jay Hancock. The vote was 6-1 with Council Member Lloyd Martin in opposition.**

ITEMS REFERRED TO, AND PRESENTATIONS FROM, THE CITY SOLICITOR

City Solicitor Guy Ayres presented the following items:

- A. Second Reading of Ordinance 2008-9, amending Chapter 1 entitled, *General Provisions*, and Chapter 58 entitled, *Offenses and Miscellaneous Provisions* changing the enforcement of open container violations to a \$200.00 fine.

Nancy Raynor, representing Mothers Against Drunk Driving, voiced opposition to this change.

Council Member Jay Hancock moved to approve the Second Reading of Ordinance 2008-9; seconded by Council Secretary Nancy Howard. The vote was 6-1 with Council Member Margaret Pillas in opposition.

- B. First Reading of Ordinance 2008-10, amending Chapter 30, entitled *Environment*, changing the lot maintenance responsibilities from the Clerk's Office to the Office of the Building Inspector. **Council Secretary Nancy Howard moved to approve the First Reading of Ordinance 2008-10; seconded by Council Member Lloyd Martin. The vote was unanimous.**
- C. First Reading of Ordinance 2008-11, establishing the Town's FY09 Budget. Council Member Margaret Pillas advised that she supports a review of the Town's Budget to find ways of lowering the Constant Yield Tax Rate by two cents. Mayor Meehan asked her to justify the two cent reduction before Second Reading. **Council Member Mary Knight moved to approve the Second Reading of Ordinance 2008-11; seconded by Council Secretary Nancy Howard. The vote was 6-1 with Council Member Margaret Pillas in opposition.**

- D. Resolution 2008-3 establishing Permit and Other Fee Schedules for FY09. **Council Member Jim Hall moved to approve Resolution 2008-3; seconded by Council Secretary Nancy Howard.** Council Member Jay Hancock recommended moving the special exception for outdoor display fee from Category I (\$491.00) to Category II (\$711.00). Planning and Community Development Director Jesse Houston stated his concurrence. **Council Member Jim Hall so amended his motion; seconded by Council Secretary Nancy Howard. The vote was unanimous.**

ITEMS REFERRED TO, AND PRESENTATIONS FROM, THE CITY MANAGER

- A. City Engineer Terry McGean recommended a bid award to **Hi-Tide Marine**, for the amount of \$12,290.85, for the Art League Bulkhead installation. **Council Member Jim Hall moved to approve; seconded by Council Secretary Nancy Howard. The vote was unanimous.**
- B. Ocean City Volunteer Fire Chief Chris Larmore requested permission to purchase six Tough Books for the Ocean City Volunteer Fire Company, from Pelican Mobile in the amount of \$25,738.00. Chief Larmore advised that three Tough Books will be purchased with Homeland Security Grant funds, and three will be purchases by the Ocean City Volunteer Fire Company. **Council Member Mary Knight moved to approve; seconded by Council Member Jim Hall. The vote was unanimous.**

COMMENTS FROM THE CITIZENS

Citizen Ellie Diegelmann asked if she will be able to speak about the FY09 Budget before it's Second Reading. The Council affirmed that she will have the opportunity to speak.

Jim Goff of Boardwalk Joe's asked for consideration to issue parking permits for downtown business owners and their employees. Council President Joe Mitrecic advised that this ongoing issue will be revisited in the future.

Citizen Jim McGinniss asked the Mayor and Council to appeal to the State to lower corporate taxes, and reiterated his statement about the cost of eating in Ocean City.

COMMENTS FROM THE MAYOR AND CITY COUNCIL

Council Member Jay Hancock said that the Ocean City Command Center (OC1) was effectively utilized during the sudden power outage, and, commended the Town's Staff for quickly responding to the incident. Secondly he corrected a statement made in a local newspaper article about the number of drug arrests in Ocean City. Thirdly, he supports the establishment of a 911 System in Ocean City (currently, all 911 calls are directed to Worcester County).

Mayor Rick Meehan reported the success of the 2008 Cruzers Weekend. Next, he said that he enjoyed watching the first round of sinking subway cars on Jack's Spot Reef. He recognized the generous contribution from Jack and Sue Powers who paid the barge fee for the first set of cars, and, guaranteed payment of a future barge fee. Thirdly, he commended the Town Staff's prompt response to the 6th Street Power outage.

Mayor Meehan acknowledged the sudden and tragic passing of Citizen Trey Lynch.

ADJOURNMENT

Council Member Mary Knight moved to adjourn at 8:05 p.m.; seconded by Council Secretary Nancy Howard. The vote was unanimous.

Minutes prepared by Deputy City Clerk Kelly Allmond

A handwritten signature in black ink, appearing to read "Kelly Allmond", written over a horizontal line.

Minutes certified by City Clerk Carol Jacobs

Minutes approved by the Mayor and City Council on 06-02-08