



October 13, 2009
Work Session
Mayor and Council
Town of Ocean City

In attendance: Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Margaret Pillas, Mary Knight, Doug Cymek and Joe Hall, City Manager Dennis Dare, City Solicitor Guy Ayres, Assistant to City Manager Kathy Mathias, Finance Administrator Martha Lucey, Deputy Chief/Fire Marshal Sam Villani, General Services Director Joe Sobczak, OCPD Captain Robert Bokinsky, Deputy City Clerk Kelly Allmond, Members of the Press and Interested Parties.

Council President Joe Mitrecic called this Work Session to order at 12:00 p.m.; then, **Council Secretary Lloyd Martin moved to convene into closed session to: (1) consult with counsel to obtain legal advice; (2) discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal if public discussion or disclosure adversely impacts the public body's ability to competitively bid or make proposals; and, (3) consider the acquisition of real property for a public purpose and matters directly related thereto; seconded by Council Member Mary Knight. The vote was 6-0 with Council Member Margaret Pillas absent.**

1. Council President Mitrecic re-opened the meeting at 2:22 p.m., and reported that legal and contractual matters were discussed in the meeting held just prior to this open session. Persons present in the closed session were: Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Margaret Pillas, Mary Knight, Doug Cymek and Joe Hall, City Manager Dennis Dare, City Solicitor Guy Ayres, Assistant to City Manager Kathy Mathias, Internal Auditor Susan Childs, Special Events Director John Sullivan, Bryan Lilley and Frank Miller of OC Air Show, LLC. **Council Member Mary Knight moved to close the closed session; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**
2. In accordance with the Town's Employee Introduction Program, Ocean City Fire Chief Chris Larmore introduced Firefighter/Paramedics David Peterson and Sidney "Ray" Wooten.
3. Deputy Chief/Fire Marshal Sam Villani reported on the progress of the Carbon Monoxide Compliance initiative (see Attachment A).
4. Bid openings:
 - A. Water and Wastewater Chemicals
(FY10 Budget Allocation = \$495,000.00)

Council Secretary Lloyd Martin advised that one late bid was received. **Council Member Doug Cymek moved to reject the late bid; seconded by Council Member Jim Hall. The vote was unanimous.**

Water and Wastewater Chemical bids continue...

Vendor
Tilley Chemical Co., Inc., Baltimore, MD
Graymont PA, Inc., Pleasant Gap, PA
Marubeni Specialty Chemicals, Inc, Tampa, FL
Pollu-Tech, Inc., Richboro, PA
Greer Industries, Morgantown, WV
Polydyne, Inc., Riceboro, GA
Carmeuse Lime, Pittsburg, PA
Kuehne Chemical Company, Kearny, NJ
Allegiance Chemicals, LLC, Lutherville, MD
JCI-Jones Chemicals, Inc. Milford, VA
Basic Chemical Solutions, Morrisville, PA
Brenntag Northeast, Inc. Reading, PA
Univar USA, Inc., Middletown, PA
Intercoastal Trading, Inc., Secretary, MD
Chesapeake Corporation, Cambridge, MD
Coyne Chemical, Croyden, PA

Council Member Jim Hall moved to acknowledge the sixteen (16) bids with remand to Staff for review; seconded by Council Member Mary Knight. The vote was unanimous.

5. *[Update on the Ocean City Air Show was postponed.]*
6. *[The Mayor and Council asked Finance Administrator Martha Lucey and City Manager Dare to present a cost comparison study of alternative pension plans. City Manager Dare invited Ed Donahue, President and CEO of the Municipal & Financial Services Group and Member of the Pension Oversight Committee for Anne Arundel County to share the results of Anne Arundel County's exhaustive study.]* Mr. Donohue explained that, based on actuarial studies, the Anne Arundel County Pension Oversight Committee determined that the defined-benefit method was the most cost-effective plan long term (see Attachment B).
7. OCPD Captain Robert Bokinsky requested permission to sole source purchase forensic equipment from **Signalscape, Inc.**, for the amount of \$21,000.00 (100% funded by the Byrne Justice Recovery Act Grant through the Maryland State Governor's Office for Crime Control and Prevention). **Council Member Doug Cymek moved to approve; seconded by Council Member Jim Hall. The vote was unanimous.**
8. *[The recommendation from the Planning Commission of a proposed Zoning Code Amendment to the Standards for Outdoor Display of Merchandise for Properties Fronting on Atlantic Avenue was postponed.]*
9. Dr. Roman Jesien of Maryland Coastal Bays explained the benefits of allowing a kayak and canoe launch site at Ayer's Creek. Council Member Jim Hall reiterated the Council's

Ayer's Creek continues...

approval to allow access to Ayer's Creek contingent upon insurance coverage. Dr. Jesien explained that Coastal Bays could not afford the insurance policy. He said that the launch site (with gated parking lot and boardwalk) should be insured under the Town's current policy. City Solicitor Ayres reiterated his concerns about the Town's liability.

Council President Mitrecic suggested that the Town lease the property to Worcester County for \$1.00 a year for 25 years so that the site could be covered under Worcester County's insurance policy. **Council Member Doug Cymek moved to approve leasing the Ayers Creek Property to Worcester County for \$1.00 per year for 25 years for the sole operation of a kayak tour launch site, and, subject to Maryland Department of the Environment's approval; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

10. Mayor Meehan advised that he and Public Works Director Hal Adkins will attend the Maryland Department of Transportation's Annual Capital Program Tour on Thursday, October 22, 2009 at 10:00 a.m. (see Attachment C).

Council Member Mary Knight moved to reconvene the closed session at 3:53 p.m. to consider the acquisition of real property for a public purpose and matters directly related thereto; seconded by Council Secretary Lloyd Martin. The vote was unanimous.

Council President Mitrecic re-opened the open session at 4:37 p.m., and reported that real estate matters were discussed in the closed session. Persons present were Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Margaret Pillas, Mary Knight, Doug Cymek and Joe Hall, City Manager Dennis Dare, City Solicitor Guy Ayres, Assistant to City Manager Kathy Mathias, Greg Shockley and Ocean City Development Corporation Director Glenn Irwin. **Council Member Mary Knight moved to close the closed session; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

Council Member Joe Hall moved to adjourn at 4:37 p.m.; seconded by Council Secretary Lloyd Martin. The vote was unanimous.

ATTACHMENT A



Ocean City Fire Department
Office of the Fire Marshal

PRESS RELEASE

Chris Larmore
Fire Chief

Cluck Barton
Deputy Chief

David Cropper
Deputy Chief

S.E. Villani
Deputy Chief

For Immediate Release- *Thursday, October 08, 2009*

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Ocean City Fire Department Update on Carbon Monoxide Detector Compliance

As the Ocean City Fire Marshal's Office continues inspecting buildings for compliance with the Town's carbon monoxide detector law, the Ocean City Fire Department reports buildings inspected thus far that were in need of follow-up inspection has resulted in near 100 percent compliance.

Since August 13, 2009, the Fire Marshal's Office has inspected more than 70 buildings for compliance with the Town's carbon monoxide detector law. Of these buildings, approximately 70 percent have been provided with at least one carbon monoxide detector, or were not required to install carbon monoxide detectors.

Additionally, unit owners required to install carbon monoxide detectors must submit certificates of installation to the Fire Marshal's Office as proof of compliance. Based on the number of certificates received, in addition to the number of buildings inspected, the Fire Marshal's Office can account for approximately 34 percent of the 32,000 multi-family units within the Town of Ocean City. It should be noted that this number is based solely on the number of units that the Fire Marshal's Office has actually inspected or received certificates for, and not an estimate of citywide compliance. Additionally, this number does not include single family homes, duplexes or townhouses, as these existing properties are not within the enforcement scope of the Fire Marshal's Office.

The Fire Marshal's Office will continue to inspect multi-family dwellings throughout the Town to ensure compliance. Additionally, the Ocean City Fire Department will be implementing a "door to door" campaign in the single family home neighborhoods throughout the town, in an effort to educate the public about the dangers of carbon monoxide.

For more information about the Town of Ocean City's carbon monoxide law, contact the Ocean City Fire Department, Office of the Fire Marshal at 410-289-8780 or visit www.oceancitymd.gov and click on the Fire Marshal section under the department drop-down box.

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TOWN OF OCEAN CITY
Pension Considerations

Advantages of Closing Defined Benefit Plan to Future Entrants

Creates a very predictable one-time pension contribution (by the City) each year for employees hired after date that the existing plan is frozen to new entrants

Creates short-term pension cost savings until stock market dives – the employees will pressure City to increase future contributions to offset future loss of value in employee's accounts

Disadvantages of Closing Defined Benefit Plan to Future Entrants

As time passes and there are fewer young participants and older average ages, changes in market conditions will cause extreme fluctuations in actuarial funding projections, causing City contribution levels to vary sharply from year-to-year.

Forfeited employer contributions (resulting from employees who leave before vesting) will be lost as a future funding source for the City's share of funding

Employees will, over time, press for greater level of defined contributions from Ocean City to compensate for low investment returns in defined contribution plan – employees almost invariably are worse investors than a professionally managed plan

When stock market dives, employees in defined contribution plan eligible for retirement will stay on the job, filling slots with highly-paid older workers rather than with less expensive new hires, resulting in higher net salary costs to the City

City will have costs of maintaining two parallel retirement plans for at least 40-50 years after current defined benefit plan is closed to new entrants

Potential Cost-Reduction Measures:

- Raise normal retirement age to 67 (parallel Social Security changes)
- Increase vesting period
- Change other terms and conditions – age at which benefits can first be paid, etc.

IN TWENTY WORDS OR LESS: *Closing Defined Benefit Plan and Establishing a Defined Contribution Plan is a Short-Term Solution for a Long-Term Problem*



ATTACHMENT C**2009 SCHEDULE
ANNUAL CONSULTATION MEETINGS**

Date	County	Time	Location
September 17	Howard	7:00 pm	Board of Education, Board Room, 10910 Route 108, Ellicott City
September 22	Culvert	10:00 am	County Courthouse, Commissioner's Hearing Room, 2 nd Floor, Prince Frederick
	St. Mary's	3:00 pm	Chesapeake Building, 41770 Baldrige Street, Commissioners Meeting Room, 1 st floor, Leonardtown
September 25	Cecil	2:30 pm	County Administration Building, Elk Room, 200 Chesapeake Blvd., Elkton
October 1	Washington	10:00 am	Washington County Administration Building, Work Shop Conference Room, 2 nd Floor, 100 W. Washington Street, Hagerstown
	Allegany	3:00 pm	Allegany County Office Complex, 701 Kelly Road, Room 100, Cumberland
October 2	Garrett	10:00 am	Commissioner's Meeting Room, New Courthouse Annex, off 4 th Street, Oakland
October 5	Anne Arundel	3:00 pm	The Arundel Center, Council Hearing Room, Annapolis
October 15	Carroll	2:30 pm	County Office Building, Public Hearing Room, Room 003, 225 N. Center Street, Westminster
October 19	Baltimore County	10:30 am	Old Courthouse, County Council Chambers, 2 nd floor, Towson
October 20	Worcester	10:30 am	Worcester County Government Center, 1 st Floor Commissioner's Meeting Room, Room 1101, Snow Hill
	Somerset	2:30 pm	County Office Complex, Commissioner's Meeting Room, 11916 Somerset Avenue, Princess Anne
	Wicomico	7:00 pm	Wicomico Youth & Civic Center, 500 Glen Avenue, Flanders 3, 4 & 5 Conference Room, Salisbury
October 29	Frederick	7:00 pm	Winchester Hall, 1 st Floor Hearing Room, 12 E. Church Street, Frederick
November 2	Charles	10:00 am	Charles County Government Building, Baltimore & Church Streets, LaPlata
November 3	Kent	9:30 am	County Government Center, 400 High Street, Room 100, Chestertown
	Queen Anne's	1:30 pm	Liberty Building, 107 N. Liberty Street, County Commissioner's Hearing Room, 2 nd floor, Centerville
November 4	Prince George's	2:00 pm	State Highway Administration, Auditorium, 9300 Kenilworth Avenue, Greenbelt
November 5	Harford	2:00 pm	Harford County Council Chambers, 212 S. Bond Street, Bel Air
November 9	Baltimore City	2:00 pm	City Hall, Curran Conference Room, 4 th floor
November 10	Caroline	10:30 am	Caroline County Public Library, 2nd Floor Meeting Room, 100 Market Street, Denton
	Talbot	3:30 pm	Library Meeting Room, Dover & West Streets, Easton
	Dorchester	7:00 pm	County Office Building, Room 110, Cambridge
November 12	Montgomery	7:00 pm	Council Office Building, 3rd Floor Hearing Room, 100 Maryland Avenue, Rockville

*Please note that the locations in bold have changed from last year's location.

July 8, 2009