



October 27, 2009  
Work Session  
Mayor and Council  
Town of Ocean City

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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, Chief Deputy Public Works Director James Parsons, Public Works Director Hal Adkins, Senior Project Manager Dean Dashiell, Tourism Director Debbie Turk, Members of the Press and Interested Parties.

Council President Joe Mitrecic called the meeting to order at 11:10 a.m.; then, **Council Member Doug Cymek moved to convene into closed session to: (1) discuss the appointment, employment, assignment, removal or resignation of appointees, employees or officials over whom it has jurisdiction, or, any other personnel matter that affects one or more specific individuals; (2) to consult with Staff, Consultants or other individuals about pending or potential litigations; (3) 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; (4) consider the acquisition of real property for a public purpose and matters directly related thereto; and, (5) conduct collective bargaining negotiations or consider matters that relate to the negotiations; seconded by Council Member Margaret Pillas. The vote was 5-0 with Council Member Jim Hall and Council Secretary Lloyd Martin absent.**

1. Council President Mitrecic re-opened the meeting at 1:05 p.m., and reported the following:
  - A. On Tuesday, October 20, 2009, a closed session was held at 1:00 p.m., at the Roland E. Powell Convention Center, to discuss contractual matters – Ad Agency Presentations. Persons present were: Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Joe Hall, Doug Cymek and Mary Knight, Susan Jones of the HMRA, Melanie Purcell and John Gehrig of the OC Chamber of Commerce, Tourism Director Debbie Turk, Public Relations Director Donna Abbott, Greg Shockley of the Maryland State Tourism Board, Michael James of the Economic Development Committee, Paul Hermann and Jane Farrell of Hermann Advertising, Donna Spurrier of Kelly Callahan-Poe, Rebecca Rodriguez, Jim Wright, Alberto Gonzolas, Mark Mooney, David Sheetsely and Katherine Carlson of Pulsar Advertising, Brian Bronaugh, Dave Popelka, Michael Hoff, Patricia Wockley and Clara Miller of Mullen Advertising. **Council Member Mary Knight moved to close the closed session; seconded by Council Secretary Lloyd Martin. The vote was 6-0 with Council Member Margaret Pillas absent.**
  - B. On Thursday, October 22, 2009, a closed session was held at 1:00 p.m., at the Roland E. Powell Convention Center, to discuss contractual matters – Ad Agency Presentations. Persons present were: Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Joe Hall, Doug Cymek, Mary Knight and Margaret Pillas, Susan Jones of the HMRA, Melanie Purcell and John Gehrig of the OC Chamber of Commerce, Tourism Director Debbie Turk, Public Relations Director Donna Abbott, Greg Shockley of

Report of Closed Session of 10/22/09 continues...

the Maryland State Tourism Board, Michael James of the Economic Development Committee, Jill Rosenstein, David Melnick, Debbie Norris, Jenn Miskomon, Courtney Brody, Amy Valcik and Ron Thompson of Siquis Advertising, Rob Whittle, Wendy Weaver, Mike Leimbach, Frank Merezicky of Williams Whittle, Melinda Adamec and Rachel Alltmont of Golin Harris, Brad Nierenberg of Red Peg Marketing, Danielle Mackey, Greg Johnston, Sarah Marchetti and Imani Green of Ogilvy of Public Relations Worldwide, Roger Gray, Jeff Millman, David Blum and Brent Williams of GKV Advertising, Andy Malis, Blake Adams, Chris McMurry, Alison Fiorelli and John Patterson of MGH Advertising. **Council Member Mary Knight moved to close the closed session; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

- C. Just prior to this opening meeting, a closed session was held at 11:15 a.m. to discuss legal, personnel, contractual and real estate matters. 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, Glenn Irwin, Lanny Hickman, Steve Silverstri and John Gilman of Miles and Stockbridge. **Council Member Mary Knight moved to close the closed session; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

**Council Member Mary Knight moved to appoint Lanny Hickman to the Board of Zoning and Appeals; seconded by Council Member Margaret Pillas. The vote was unanimous.**

2. In accordance with the Town's Employee Introduction Program, Ocean City Fire Chief Chris Larmore introduced Fire Department Employees Chris Perry and Kendra Palmer.
3. Bid Openings:

- A. Convention Center Walk-In Freezer Raised Insulated Floor System  
(Budget Allocation = \$30,000.00, Bid Bond required)

Vendor	Bid Amount
Metal Magic, Ocean City, MD	\$18,172.99
K.B. Coldiron, Inc., Frankford, DE	\$21,535.00
<b>Peninsula Roofing, Salisbury, MD</b>	<b>\$16,500.00</b>

**Council Member Doug Cymek moved to acknowledge Peninsula Roofing as the apparent lowest bid with remand to Staff for review; seconded by Council Member Jim Hall. The vote was unanimous.**

- B. Data Center Fire Extinguisher Systems  
(Budget Allocation = \$25,000.00, Bid Bond required)

Vendor	Bid Amount
Suppression Systems, Inc.	\$14,935.00
Harris Fire Protection	\$14,000.00
<b>BFPE International</b>	<b>\$9,379.00</b>

Data Center Fire Extinguisher System continues...

**Council Member Mary Knight moved to acknowledge BFPE International as the apparent lowest bid with remand to Staff for review; seconded by Council Member Margaret Pillas. The vote was unanimous.**

- C. Water Tank Cleaning  
(Budget Allocation = \$40,000.00, Bid Bond required)

Vendor	Bid Amount
Ocean City Power Wash	\$27,000.00
K&K Painting, Inc.	\$29,000.00
Maccari Companies, Inc.	\$48,100.00
J&W North Carolina, Inc.	\$33,000.00
S&T Painting, Inc.	\$72,800.00

**Council Member Mary Knight moved to acknowledge Ocean City Power Wash as the apparent lowest bid with remand to Staff for review; seconded by Council Member Margaret Pillas. The vote was unanimous.**

4. Stephen Silvestri and John Gilman of Miles & Stockbridge presented an overview of the 2010 IAFF (International Association of Firefighters, Local 4269) Contract (see Attachment A). He said the new contract will be effective July 1, 2010.
5. State Highway Administration (SHA) District Engineer Donnie Drewer and Assistant District Engineer Gene Cofiell responded to City Staff's inquiry regarding current highway projects [The Council and City Engineer Terry McGean's questions are written in bold, and Mr. Drewer's responses are written in italics].
  - *Mr. Drewer advised that, weather permitting, Route 90 will be open by mid-December.*

**Mayor Meehan said that he asked Governor O'Malley to give priority consideration to dualizing Route 90.** *Mr. Drewer said the Governor's Office made him aware of the Mayor Meehan's request.*

- **Philadelphia 9<sup>th</sup>-26<sup>th</sup> Street Overlay Project update:** *Mr. Drewer advised that stimulus money was obtained to pave the northbound lanes and make ADA improvements to the sidewalks. He said that there is a provision in the project that no paving or milling will take place between May 15<sup>th</sup> and October 1<sup>st</sup> of the year (to accommodate the Cruiser weekends).*
- **Sidewalk Improvement Project update:** *Mr. Drewer advised that stimulus money was obtained to improve the sidewalks from 30<sup>th</sup> Street to the Delaware Line.*
- **ADA Signal Project update:** *Mr. Cofiell said that eight more traffic signals will be rebuilt to satisfy ADA issues. Four will be rebuilt in January 2010 and the other four will be rebuilt next year.*
- **Possible alternate use of the northbound bus lane from 140<sup>th</sup> to the Delaware Line (City Manager Dare noted that since the busses turn into 142<sup>nd</sup> Street to get to the 145<sup>th</sup> Street Transit Center, they do not use this portion of the bus lane).** *City Manager Dare suggested that parking may be a better use for the unused three blocks. Mr. Cofiell said he will review City Manager Dare's suggestion with his staff.*

SHA Continues...

- **Possible use of decorative signal poles in the downtown area for future replacements (this came up at a recent planning commission meeting).** *Mr. Cofield advised that decorative sleeves may be available, but at the Town's expense.*

**Council Member Cymek asked about the integrity of the bridge span over St. Martin's River.** *Mr. Drewer advised that the Route 90 and St. Martin's River bridges were inspected concurrently, and the St. Martin's River bridge was determined structurally sound.*

**Council Member Jim Hall asked Mr. Drewer to consider adding a coat of paint the Route 50 Bridge.** *Mr. Drewer advised that there is little to no funding for such a project.*

6. Chief Deputy Public Works Director James Parsons advised that the North Secondary Clarifier is in vital need repair. He recommended a sole source contract with **G.M.H. Associates of America, Inc. (GMH)**, in the amount of \$100,000.00 (allocated from the Wastewater Fund). He said he recommends GMH because they demonstrate expertise and efficiency in repairing this highly specialized equipment. **Council Member Jim Hall moved to approve; seconded by Council Member Doug Cymek. The vote was unanimous.**
7. Public Works Director Hal Adkins requested approval to hire **Whitman, Requardt & Associates**, in the amount of \$63,657.00, for the design and bidding of a 48-inch sewer lining, which will be threaded through a failing sewer main under 64<sup>th</sup> Street. He advised that an above-ground bypass system (with traffic ramps) will be placed in the vicinity of 62<sup>nd</sup> and 65<sup>th</sup> Streets off the highway. He said two northbound and two southbound lanes on Coastal Highway will remain open at a reduced speed of 20 miles per hour. **Council Member Jim Hall moved to approve; seconded by Council Member Doug Cymek. The vote was unanimous.**
8. Emergency Services Captain Eric Peterson requested permission to sole source purchase EMS Training Equipment (replacement/upgrade parts for SimMan – the Human Patient Simulator) from **Laerdal Medical Corporation, Inc.**, for the amount of \$10,357.46. (100% reimbursed by the Ocean City Paramedic Association). He advised that Laerdal is the sole manufacturer and distributor of the SimMan and it's accessories. **Council Secretary Lloyd Martin moved to approve; seconded by Council Member Doug Cymek. The vote was unanimous.**
- 9.

Council Member Pillas and Joe Hall said they will oppose this recommendation because they wanted a final interview with the top three rated agencies.

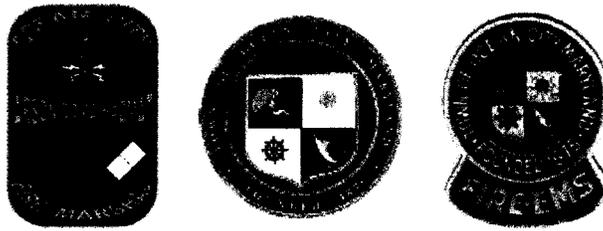
Council Member Cymek pointed out that the Tourism Commission ranked MGH #1 in technical content, and, that MGH offered the lowest fees.

**Council Member Mary Knight moved to accept the Tourism Commission's recommendation and hire MGH Advertising for a one-year term; seconded by Council Secretary Lloyd Martin. The vote was 4-3 with Council Members Jim Hall, Joe Hall and Margaret Pillas opposed.**

10. Tourism Director Debbie Turk recommended a bid award to **Quade Creative Services** of Greenbackville, Virginia, in the amount of \$9,042.00 (Staff Estimate: \$10,243.00), for the design of the 2010 Sea For Yourself Magazine. **Council Member Jim Hall moved to approve; seconded by Council Member Mary Knight. The vote was unanimous.**
  
11. City Manager Dare reviewed the Town's current Employee Pension and Healthcare Plans (see Attachment B). He made a recommendation to forgo any extensive changes to the existing employee health benefits until the Federal Government establishes resolution to the National Healthcare Question. **Council Member Jim Hall moved to accept City Manager Dare's recommendation and discuss the Town's healthcare policy after the Federal Government resolves the National Healthcare question; seconded by Council Member Doug Cymek. The vote was unanimous.**  
  
**Council Member Jim Hall moved to accept City Manager Dare's recommendation to retain the current defined-benefit pension plan, and continue to make minor modifications, as they are identified, to contain costs; seconded by Council Member Doug Cymek. The vote was unanimous.**
  
12. Council Secretary Lloyd Martin reported on the Police Commission Meeting of September 9, 2009 (see Attachment C).  
  
**Council Secretary Lloyd Martin moved to adjourn at 3:20 p.m.; seconded by Council Member Doug Cymek. The vote was unanimous.**

**Summary of Contract Changes effective 07/01/09 for FY-10**  
**Collective Bargaining Agreements**  
**Between Town of Ocean City and IAFF Local 4269, AFL-CIO**

<b>Description</b>	<b>7/1/2007-6/30/2010 Contract</b>	<b>Savings</b>
Term	1 year remaining on contract	
Employees covered	Firefighters/Emergency Medical Technicians Fire Marshals (non-managerial)	
<b>Economics:</b>		
Annual base salary increases	No step increases	\$66,083
COLA	If at 2% as in 2008 (contract = general employees)	94,993
Schedule change pay	Contract requires 24 hour notice or 3 hrs pay is given	4,690
Clothing/uniforms	Contract requires 14 annual items, offer to replace as needed	10,000+
Christmas gift certificate	Not given in 2008	940
Seattle day	Duty time instead of training 6 months of year	128,762
	Savings	\$305,468



Collective Bargaining Agreement  
Between the Town of Ocean City and the  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269, AFL-CIO

Effective July 1, 2007 – June 30, 2010

**Town of Ocean City, Maryland and  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269, AFL-CIO  
Collective Bargaining Agreement  
July 1, 2007 – June 30, 2010**

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## **AGREEMENT**

This Collective Bargaining Agreement (this "Agreement") is entered into this 7<sup>th</sup> day of May, 2007, by and between Mayor and City Council of Ocean City (the "Employer") and the Career Firefighters Paramedics Association of Ocean City, Inc., International Association of Fire Fighters, Local 4269, AFL-CIO ("the Union").

### **ARTICLE 1** **RECOGNITION**

The Employer recognizes the Union as the sole and exclusive representative for all persons employed by the Fire EMS/ Division or Office of the Fire Marshal ("OFM") who are classified as regular full time Firefighters/ Emergency Medical Technicians or Fire Marshals, who are below the rank of Captain in the Fire/EMS Division and below the rank of Chief Deputy Fire Marshal in the OFM (herein referred to collectively as "Employees"), but excluding all civil Fire/EMS or Fire Marshal Employees, and all casual, seasonal, part time, confidential and supervisory employees as defined by Chapter 42, Article IV, section 42-72 of the Ocean City Labor Code.

### **ARTICLE 2** **MANAGEMENT RIGHTS**

The Employer retains all of the rights provided to it under Article IV, Section 42-75 of the Labor Code for Ocean City, Maryland, and all rights and powers reserved to it under the Ocean City Code and Charter.

### **ARTICLE 3** **BARGAINING UNIT WORK**

The Employer shall continue to issue and maintain job descriptions listing the duties for each position in the bargaining unit. Should the Employer withdraw or revise any job description, or issue a job description for a new position in the bargaining unit, it shall first notify the Union.

### **ARTICLE 4** **UNION SECURITY**

All Employees covered by this Agreement who (a) after September 21, 2006 are employed and elect not to join or remain members of the Union; or (b) prior to September 21, 2006 are employed and previously have executed membership or dues authorization cards as members of said Union, but thereafter elect to terminate such membership and/or revoke said dues authorization cards, shall, as a condition of continued employment, pay a service fee to the Union, during the period that said Union retains its certification, in an

amount not to exceed seventy-five percent (75%), of the then current Union dues. Such service fee shall be in order to defray the costs incurred by the Union in negotiation, administration and implementation of the terms of the Agreement, and all modifications and amendments thereto, including related proceedings in the processing of grievances; in the conduct of disciplinary proceedings and in the appeal thereof; in the protection and improvement of civil service rights; and in any and all other proceedings and matters for which the Union is the Employees' exclusive representative. The service fee provision as outlined herein shall apply if the Union demonstrates that ten percent (10%) or more of the total Employees eligible to be included within an appropriate unit decline to authorize dues deductions imposed by said Union. The Union shall indemnify and save the Employer harmless of any and all claims, grievances, actions, suits or other forms of liability or damages that arise out of or by reason of the collection and disposition of the funds deducted under this Article as soon as they have been remitted by the Employer to the Union.

**ARTICLE 5**  
**DUES CHECK-OFF**

- A. The Employer agrees to deduct Union dues and service fees, without cost to the Union, from the pay of any Employee whom the Union is certified to represent and who authorizes such deductions in writing pursuant to the provisions of the Ocean City Labor Code. The Employer shall deduct dues and service fees once every pay period from the pay of those Employees who authorize checkoff as provided under Article IV, Section 42-80 of the Labor Code.
- B. The Employer shall transmit all such monies withheld to the Union within fourteen (14) days of checkoff deduction. The Employer agrees to supply the Union or its designee with a dues and service fee deduction computer printout on a quarterly basis throughout the term of this Agreement. Said printout shall include each individual Employee's name, workplace, annual salary and the amount deducted per pay period.
- C. An Employee checkoff authorization shall be continued from year to year unless revoked in writing by the Employee, thirty (30) days prior to the anniversary date of the authorization.
- D. The Union shall indemnify and save the Employer harmless of any and all claims, grievances, actions, suits or other forms of liability or damages that arise out of or by reason of the disposition of the funds deducted under this Article as soon as they have been remitted by the Employer to the Union.
- E. Pursuant to Article IV, Section 42-80(a) of the Labor Code, no other employee organization shall be entitled to check off dues and service fees from the Employees.

**ARTICLE 6**  
**NON-DISCRIMINATION**

The provisions of this agreement shall be applied equally to all Employees without discrimination as to age, sex, marital status, race, creed, color, national origin, political affiliation, disability as defined under the Americans with Disabilities Act (ADA), or sexual orientation.

**ARTICLE 7**  
**GRIEVANCE AND ARBITRATION PROCEDURES**

A. A grievance is defined as any dispute, difference or disagreement concerning:

1. The application or interpretation of the terms of this Agreement; and/or,
2. A claimed violation, misinterpretation or misapplication of the rules or regulations of the Mayor and City Council of Ocean City, MD, affecting the terms and conditions of employment.

B. All grievances shall be submitted and adjusted in the following manner:

Step 1:

An Employee, or group of Employees, or the Union may be the "aggrieved" and submit a grievance. The aggrieved will submit a grievance within fifteen (15) calendar days of the actions being grieved or within fifteen (15) calendar days of the Employee having reasonable knowledge of the actions. A grievance shall be submitted to the Fire/EMS Captain or Chief Deputy Fire Marshal or his designee. The grievance shall advise of the substance of the grievance and identify the aggrieved on the approved grievance form. The Fire/EMS Captain or Chief Deputy Fire Marshal, or his designee, shall meet with the aggrieved and a designated Union Representative to discuss the grievance within seven (7) calendar days of receipt of the grievance and shall reply to the aggrieved, the Employee and to the Union, in writing, within seven (7) calendar days after the meeting.

Step 2:

If a grievance is not resolved at Step 1, or if a grievance affects the rights or interests of two or more Employees, or the Union, or it is the result of a unit-wide policy, the aggrieved may first submit the grievance at Step 2, and shall file the grievance with the Emergency Services Director or Fire Marshal, or his designee. Grievances advanced from Step 1 shall be submitted within seven (7) calendar days of receipt of the Step 1 decision. The aggrieved and a Union representative shall meet with the Emergency Services Director or Fire Marshal, or his designee, within seven (7) calendar days of the filing of the grievance at this step, to discuss its substance and possible

resolutions. The Emergency Services Director or Fire Marshal, or his designee, shall give his decision in writing within seven (7) calendar days after the aforesaid meeting.

Step 3:

If the grievance is not resolved at Step 2, the aggrieved may present the grievance in writing to the City Manager or his designee within seven (7) calendar days of the receipt of the Step 2 decision. The City Manager or his designee shall meet with the aggrieved Employee and a Union representative within seven (7) calendar days of the receipt of the grievance and shall give his response in writing within seven (7) calendar days of the meeting.

Step 4:

- (a) If a grievance has not been satisfactorily resolved at Step 3, the Union may, within fourteen (14) calendar days of the completion of Step 3, initiate binding arbitration by written notice to the City Manager and the Labor Commissioner of the decision to arbitrate. The Union may advance an individual Employee's grievance to arbitration if in its discretion the Union finds arbitration to be appropriate, and the Employee (or Employees) affected shall be bound by the Union's decision whether or not to arbitrate.
- (b) Within seven (7) calendar days after receipt of the Union's notice demanding arbitration, the parties shall attempt to agree upon an arbitrator. If such attempts fail, a Demand for Arbitration may be filed with the American Arbitration Association. Within fourteen (14) calendar days after receipt of a panel of seven (7) names, all who are members of the National Academy of Arbitrators, obtained from the American Arbitration Association, the parties shall alternately strike names from that panel until one (1) name remains. That person shall be the arbitrator.
- (c) Briefs following a hearing shall be filed only if the arbitrator determines they are necessary.
- (d) The arbitrator's decision shall be final and binding on all parties, including all Employees affected.
- (e) The Employer cannot present a grievance to the arbitration step.
- (f) The Cost of the Arbitrator's fees and billed expenses shall be shared in proportion two thirds to the loser, one third to the winner, when the issue grieved is a contract interpretation dispute. The Arbitrator's fees and billed expenses shall be paid by the loser when the issue grieved is the discipline or termination of an Employee.
- (g) Unless otherwise agreed to by the parties, the arbitration shall, preferably, be held within 3 months of the date of the filing of the grievance.

- C. The Union shall be notified about and shall act as the exclusive representative in all grievance matters, subject to the Employee rights that are reserved in Article IV, Section 42-74(c) of the Labor Code.
- D. All grievances in writing shall be filed on a form developed jointly by both parties, Appendix IV. The aggrieved shall retain a copy of the grievance form submitted.
- E. If the Employer fails to provide an answer to the grievance within the time limits so provided, the aggrieved or the Union may immediately appeal to the next step. Time limits may be waived by agreement.
- F. The Employee or Union failing to act upon a grievance within the time limits so provided forfeit their right to advance further in the grievance process. Time limits may be waived by agreement.
- G. Whenever a dispute or difference of opinion arises in the workplace, both the Employee and Employer are encouraged to make an effort to resolve the matter informally. Nothing in this article shall discourage or prohibit the exercise of good communication in an attempt to informally resolve misunderstandings, the perceived misapplication of rules, or other confusing circumstances.

**ARTICLE 8**  
**UNION REPRESENTATIVES**

- A. The Union may appoint up to three (3) grievance representatives to investigate and process grievances on behalf of the Union. One representative shall be designated from the Employees in the Fire/EMS Division and one shall be designated from the Employees in the OFM; in addition to the Union President, who shall be the third grievance representative.
- B. A written list of Union Grievance Representatives shall be furnished to the Emergency Services Director and the Fire Marshal immediately after their designation and the Union shall notify the Emergency Services Director and the Fire Marshal promptly of any change of such representatives.
- C. After giving five (5) calendar days notice to the Fire/EMS Captain or Fire Marshal, one (1) Union Grievance Representative shall be granted reasonable time off during working hours with pay when he is engaged in presenting a grievance under Steps 1-4 of Article 6 of this Agreement, and where it will not interfere with the operations of the Fire/EMS Division or the OFM. Such requests shall not unreasonably be denied.

**ARTICLE 9**  
**WORK ASSIGNMENTS**

A. Fire/EMS. The Following shall govern the assignments in the Fire/EMS Division:

1. The work schedule shall be set for one-month periods at 6-month intervals commencing on April 1 and October 1.
2. Employees in the Fire/EMS Division shall be assigned to one of the Division's four platoons. Except as otherwise provided in this Section A, all current platoon assignments shall remain in effect. Employees in the Fire/EMS Division shall select assignments and be assigned to station and equipment on the basis of continuous length of service within the Fire/EMS Division. The Employer shall provide selection opportunities with such designation requirements as it may determine on or before January 15 and July 15 for the April and October intervals, respectively. Employees shall select assignments within 15 days of the notice of opportunity. The Employer shall post the assignments at least 30 days before the commencement of the interval.
3. The Employer shall have the right to adjust assignments prior to posting for operational purposes. When adjusting, the Employer shall use good faith efforts to take seniority into account.
4. Employees may at their option exchange scheduled shifts of work with Employees of the same job classification and certification as authorized under the Fair Labor Standards Act, 29 U.S.C. § 207(p)(3), provided that the Employer has advance notice of and approves the exchange and where in the sole judgment of the Employer such exchange does not interfere with the operations of the Employer or cause payment of premium overtime.
5. If the Employer temporarily changes an Employee's (i) station; (ii) apparatus assignment; (iii) regularly scheduled shifts and/or hours worked the Employee shall be notified at least 24 hours in advance of any such change(s). When the vacancy occurs because another Employee has not been regularly scheduled, the notice shall be at least 12 hours in advance. When the vacancy occurs because another Employee once regularly scheduled has called off from work prior to the start of the shift, the Employer shall attempt in good faith to give notice prior to the start of the shift of the temporary change as soon as reasonably possible after becoming aware of the scheduled Employee's absence.

In the event the Employer fails to provide the required 24 or 12 hour notice set forth in this paragraph, the Employee shall be entitled to an additional three (3) hours pay at his regular hourly rate of pay for each shift/hours worked outside of the regular schedule. For purposes of this section, notice required shall be by and be deemed

made when: (1) the Division sends written notice electronically to the Departmental mail address of the Employee, or, at the Employee's option, to the Employee's designated personal e-mail address, provided the Employee provides timely written notice of such personal e mail address to the appropriate Division official; and (2) the Division leaves a verbal message for the Employee on the Employee's designated personal phone.

The Employer shall not be required to give such notice in advance, nor shall the Employee be entitled to additional compensation as stated herein for: (1) For such operations that require employees with the special advanced training or certifications of HAZMAT Technician or Rescue Diver or High Angle and Trench Technical Rescue Specialist or Self Contained Breathing Apparatus (SCBA) Maintenance Technician, (2) the unavailability of another Employee for unanticipated or emergent personal reasons,(3) call-outs equal to or less than one hour, (4) when changing station or apparatus of an Employee on shift and, (5) for shift carry-overs, or assignments resulting in such, and (6) in the case of natural disasters, acts of God, civil emergencies, or homeland security events as determined by the Emergency Services Director. The Employer shall endeavor in good faith to provide advance notice prior to the start of the shift to an Employee of changes in station or apparatus when it has advance notice of the need for such change.

6. For legitimate operations purposes only, the Employer may permanently change an Employee's regularly scheduled shift and/or hours with 30 days advance notice to the Employee. A permanent change is one for 30 or more consecutive days.

The Division shall not be required to give such notice in advance in the event of the unavailability of another Employee for unanticipated or emergent personal reasons, retirements without sufficient notice, and in the case of natural disasters, acts of God, civil emergencies, or homeland security events as determined by the Emergency Services Director.

7. Except when duties require otherwise, the Employer shall continue its practice set forth in SOP 220.07.
8. The Employer shall continue to observe SOP 206 (as revised through 4-01-03) with respect to vacation and holiday selection preferences by seniority.

B. OFM. The following shall govern the assignments in the Office of the Fire Marshal.

1. Except as provided in this subsection, the current regular work schedule for Employees in the OFM shall remain in effect during this Agreement.

2. For legitimate operations purposes only, the Employer may permanently change an Employee's regular work schedule or assignment with 30 days advance notice to the Employee. A permanent change is one for 30 or more consecutive days.
3. For overtime shifts scheduled in addition to the regular work schedule (e.g. Sunfest, Springfest, holidays, concerts and night checks) the Employer shall post overtime and night check schedules at least 7 days in advance.
4. The Employer shall designate an Employee(s) as an "On Call" Employee(s) who must be ready to report for and perform work when the need arises, when called. Employees in an "On Call" status are required to be available by telephone, radio, and/or alpha pager. The Employer shall not designate an Employee using Annual Leave as an "On Call" Employee.

An "On Call" assignment must be of definite duration, and the Employee(s) must be officially notified. "On Call" status shall remain in effect until the Employee is officially relieved from "On Call" status.

When an Employee in an "On Call" status is directed to report for work, the Employee shall be paid three (3) hours minimum pay for each time the Employee reports to work, which shall count as hours worked for the determination of overtime in a pay period.

The Fire Marshal's Office shall make the "On Call" schedule available to Fire Marshal Employees a minimum of seven (7) days before the effective date of the monthly on-call schedule.

5. If the Employer temporarily changes an Employee's work schedule or assignment; or hours worked the Employee shall be notified at least 24 hours in advance of any such change(s). When the vacancy occurs because another Employee once regularly scheduled has called off from work prior to the start of the shift, the Employer shall attempt in good faith to give notice prior to the start of the shift of the temporary change as soon as reasonably possible after becoming aware of the scheduled Employee's absence.

In the event the Employer fails to provide the required 24 hour notice set forth in this paragraph, the Employee shall be entitled to an additional three (3) hours pay at his/her regular hourly rate of pay for each shift/hours worked outside of the regular schedule. For purposes of this section, notice required shall be by and be deemed made when: (1) the OFM sends written notice electronically to the Departmental mail address of the Employee, or, at the Employee's option, to the Employee's designated personal e-mail address, provided the Employee provides timely written notice of such personal e mail address to the appropriate OFM official; and (2) the

OFM leaves a verbal message for the Employee on the Employee's designated personal phone.

The Employer shall not be required to give such notice in advance, nor shall the Employee be entitled to additional compensation as stated herein for: (1) for bomb squad operations; (2) the unavailability of another Employee for unanticipated or emergent personal reasons, (3) call-outs equal to or less than one hour, (4) for shift carry-overs, or assignments resulting in such, and (5) in the case of natural disasters, acts of God, civil emergencies, or homeland security events as determined by the OFM. The Employer shall endeavor in good faith to provide advance notice prior to the start of the shift to an Employee of changes in station or apparatus when it has advance notice of the need for such change.

## **ARTICLE 10** **OVERTIME AND HOURS OF WORK**

### **A. Employees in the Fire/EMS Division:**

1. In the first year of the Agreement (July 1, 2007 to June 30, 2008) and except as described below, the regular hours of work for all Employees in the Fire/EMS Division shall be the current 24/72-hour schedule and the current 24-hour Seattle Day, and the pay period for computation of overtime shall be seven (7) days. The Employer shall pay premium overtime for hours worked in excess of 46 hours in a 7-day pay period.
2. Commencing on the first anniversary of the Agreement, July 1, 2008, the regular work hours of work for all Employees in the Fire/EMS Division shall be the current 24/72 schedule and the pay period for computation for overtime shall be seven (7) days. The Seattle Day shall be reduced to 12 hours, and the employer shall pay premium overtime for hours worked in excess of 45 hours in a 7-day pay period.
3. All Employees of the Fire/EMS Division shall be required to have approval from the Emergency Services Director, a Captain or their designee before working any hours outside the Employee's regular schedule.

### **B. Employees in OFM:**

1. The regular workweek for Employees in the OFM shall be 40 hours in a 7-day pay period. The Employer shall pay overtime for hours worked in excess of 40 hours in a 7-day pay period.
2. Each OFM day of work shall include a paid one-half (1/2) hour lunch period to be taken at the Employee's choice. OFM Employees participating in a one-half hour

lunch period shall be in an on-duty status and subject to immediate call, as determined by the OFM.

- C. No Duplication or Pyramiding of Premium or Overtime Pay: There shall be no duplication or pyramiding in the computation of overtime or other premium wages and nothing in this Agreement shall be construed to require the payment of overtime more than once for the same hours worked. If more than one of the provisions of this Agreement shall be applicable to any time worked by an Employee, the Employee shall be paid for such time at the highest rate specified in any one applicable Article/Section, but the Employee shall not be entitled to additional pay for such time under any other Article/Section.

## **ARTICLE 11** **WAGES AND PREMIUMS**

- A. Wage Rates Tables : See Appendix I.

Effective July 1, 2007, to implement the new Wage Rate Tables that are to take effect on that date, each Employee shall be moved from his Grade and Step as of June 30, 2007 to the same Step in the newly effective Grade in the Wage Rate Tables attached as Appendix I. Thereafter, the Wage Rate Tables shall be adjusted as of October 1 to reflect the Cost of Living Adjustment determined by the Mayor and City Council under Section B of this Article 11.

- B. Cost of Living Adjustment: All Employees shall receive a Cost of Living Adjustment on October 1 of each year of the contract term, equal to the Cost of Living Adjustment determined by the Mayor and City Council for all of the Employer's employees who are not in a collective bargaining unit. The Employer shall continue its current practice of paying Employees the regular anniversary increment that is part of the Employer's pay system for employees who are not in a collective bargaining unit.
- C. Promotions: An Employee who receives a promotion to a higher salary grade within the bargaining unit will receive at least a five percent (5.0%) increase in base pay
- D. Working Out of Class Pay: An Employee who has completed his probationary period and who is temporarily assigned to work in a classification in a higher pay grade than his regular classification shall be paid for all hours worked in such higher pay grade at either five percent (5%) above the regular rate for his classification or the minimum rate for the higher pay grade, whichever is greater. This shall not apply to Employees in the classification of Second Lieutenant who serve as Acting Lieutenant.
- E. Court Appearances: An Employee who is required under the authority of a subpoena to appear as a witness for the State or City in a criminal or administrative proceeding shall receive either a minimum of three (3) hours pay at the appropriate rate, or the actual

number of hours worked at the appropriate rate, whichever is greater, for; (i) all hours worked on a scheduled off day; or (ii) all hours not contiguous to his individual work schedule.

- F. Travel Pay: When the Employer requires an Employee to be detailed to a location that is forty-five (45) miles or more from Ocean City, any travel time shall be deemed to be on duty and compensated in accordance with this agreement.
- G. Mileage Reimbursement: Employees required to use their private vehicles for City business as approved by their supervisor shall be compensated at the Federal allowed mileage rate for the tax year.
- H. Employees may continue to authorize voluntary deductions from each payroll check, in addition to automatic deductions authorized by law.
- I. An Employee who resigns, retires, is dismissed or laid-off is eligible and shall be compensated accordingly for all his accumulated unpaid holiday time and vacation time, including pro rata pay due for the current year at the Employee's current rate of pay.
- J. All days or hours of paid leave except holidays shall not be treated as days or hours worked.
- K. Call out Pay: The Employee shall be paid three (3) hours minimum pay for each time the Employee is directed to and reports to work subsequent to their regular shift which shall count as hours worked for the determination of overtime in a pay period.
- L. Emergency Operations Pay: Employees called to work during a declaration of Emergency Operations under Section 3.7 of the Employer's handbook will be paid at a rate of time and one-half during the declaration.
- M. Instructor Pay and Field Training Pay: An Employee below the rank of Lieutenant who is assigned to and furnishes instruction to Employees of the Employer on a group basis shall be paid three percent (3%) per hour above his regular hourly rate for each hour worked as an Instructor. Employees who work as an instructor as a light duty assignment shall not be eligible for instructor pay. An Employee who is assigned and furnishes field training shall receive \$1.25 per hour for each hour worked in which field training is provided up to a maximum of \$100 for each Employee or Division approved trainee to whom the Employee is assigned.

**ARTICLE 12**  
**UNIFORMS, PROTECTIVE CLOTHING AND EQUIPMENT**

- A. All uniforms, protective clothing and equipment listed in Appendix II (Fire/EMS) and Appendix III (OFM) required of Employees in the performance of their duties, shall be furnished without cost to the Employees by the Employer. All uniforms, protective clothing and equipment shall be maintained in good condition and shall meet the applicable OSHA, ANSI and NFPA standards.
- B. The Employer shall notify the Union thirty (30) days in advance of implementation about any change proposed in equipment or uniforms, and if requested by the Union, the Employer shall furnish information about the change to the Union.
- C. All agreed uniforms and equipment, both initial issue and promotional, are set forth in Appendix II (Fire/EMS) and Appendix III (Fire Marshal) of this Agreement, and they shall be furnished to the Employees. In the event that the uniforms or equipment detailed in those appendices are damaged or stolen through no fault of the Employee, become worn through normal use, or are determined to be unsafe by the Emergency Services Director or Fire Marshal, such uniforms or equipment shall be replaced at no cost to the Employee.

**ARTICLE 13**  
**HEALTH AND WELFARE**

- A. The Employer agrees to provide the same health insurance benefits for all Employees and their eligible dependents during the term of this Agreement as is provided for employees who are not in a collective bargaining unit.
- B. The Employer shall pay the same percentage of the monthly premium for the level of health coverage that each Employee is eligible for and elects as is provided for employees who are not in a collective bargaining unit and each Employee shall contribute, by payroll deduction, the same percentage of the monthly premium that is paid by employees who are not in a collective bargaining unit. Health Insurance Coverage shall be an IRS Section 125 tax option for the premium co-shared by the insured Employee.
- C. Employees hired before July 1, 2005, vested with 15 or more years of service, and Employees hired on or after July 1, 2005, vested with 25 or more years of service, who retire during the life of this agreement shall have a choice of participating in the Employer's program for health care coverage for retired Employees on an 80% Employer and 20% retiree monthly premium co-share basis.
- D. The Town of Ocean City shall continue the use of the cafeteria plan under Section 125 of the Internal Revenue Code of 1986, which allows eligible Employees to pay benefit

costs on a pre-tax or after-tax basis. Benefits shall include those benefits provided to employees who are not in a collective bargaining unit described in this Agreement and that are permitted by the Internal Revenue code.

- E. After completion of one (1) year of service, the life of each Employee shall be insured with coverage of 200% of annual salary not to exceed \$200,000. The insurance shall also include accidental death and dismemberment coverage one (1) times annual salary and dependent life insurance. New Employees under one (1) year of service receive \$5,000 in life and accidental death & dismemberment coverage.
- F. In the event of an Employee's death, for whatever reason, the personal representative of the Employee's estate, shall receive a lump sum payment to be included in the Employee's final paycheck for all unpaid vacation and holiday hours at the Employee's current pay rate. The Employer shall also pay to the Employee's estate up to \$10,000 of documented funeral expenses in the event of the Employee's death in the line of duty.
- G. Retiree Death Benefit: There shall be a retiree death benefit in the amount of Ten Thousand Dollars (\$10,000), payable to the personal representative of the retiree's estate for Employees retiring during the duration of this Agreement.
- H. Sick Hours: Each Employee shall accrue eight (8) hours of paid leave each calendar month, beginning one month after hire, as sick hours to a maximum of 240 hours. The use of sick leave shall be in accordance with the Employer's personnel policy. Sick leave hour balances in excess of 240 hours will be applied to Employee's pension plan for service credit at the rate of 22 days (176 hours) equal to one (1) month of service.
- H. Short and Long Term Disability:
  - (1) The Employer shall continue in effect its insurance programs for short and long term disability that are applicable to employees of the Town who are not in the bargaining unit. These benefits are subject to the terms of the applicable plan documents.
  - (2) An Employee who is unable to report to work due to an illness or injury in the line of duty shall receive supplemental payments to worker's compensation benefits to equal his straight time annual rate of pay for a period of up to six (6) months following the commencement of eligibility for worker's compensation benefits for that illness or injury. An Employee who receives the supplemental pay shall report for light duty work if such work is available, and the Employee is qualified for it. To determine whether such qualification exists, the medical evaluation procedures set forth in Section Q of this article shall apply
- J. The Employer shall continue to provide and administer the Accrued Benefits Donor Program as defined in Section 4.7 of the Employer's Employee Handbook (10/1/2005).

- K. The Employer shall remain a group member of the Blood Bank of the Eastern Shore and shall pay the annual dues for Employees who join the Blood Bank. As provided in Section 4.13 of the Employer's Employee Handbook (10/1/2005), retired Employees who are fully vested in the pension plan shall remain active as a group participating member of the Blood Bank, as long as their membership is not interrupted.
- L. The Employer shall provide ambulance service at no cost to Employees and dependents of record when service is within or from the response district. The Employee shall remit any insurance claim payments received for such service to the Employer.
- M. Employees shall continue to receive the annual Christmas bonus provided by the Employer as provided to employees of the Employer who are not in a collective bargaining unit
- N. The Employer may continue to require Employees to undergo an annual physical fitness assessment. Before the Employer implements specific physical fitness procedures or standards, the Employer shall notify the Union in advance and discuss with the Union about such procedures or standards and their effects.
- O. Employees shall be furnished time, equipment and facilities for physical fitness activities while they are working.
- P. Employees shall receive all recommended appropriate vaccinations to protect against job related exposures.
- Q. Light Duty Assignment: An Employee who is unable to temporarily perform his/her duties due to a proven injury or illness shall be temporarily assigned to a light duty position if (i) a position for which the Employee is qualified is available in the Fire/EMS Division or OFM; and (ii) the assignment is approved in advance by the physician attending the Employee's care, and by, at the option of the Employer, a physician engaged to provide an Independent Medical Evaluation (IME). Such light duty assignment shall continue until an Employee has reached maximum medical improvement. Upon reaching maximum medical improvement, the Employee shall be restored, if able, to his/her permanent duty assignment. The Employer shall determine the availability and duration of light duty positions. The Employer shall give preference in providing light duty positions to Employees who are injured in the line of duty.

To determine whether or not (i) an Employee is able to report for light duty, (ii) whether an Employee has reached maximum medical improvement, or (iii) whether having reached maximum medical improvement, an Employee is able to perform the essential duties of his/her permanent duty assignment, the Employer may require an IME at its expense. Should the attending physician and the physician conducting the IME disagree as to the above determinations, the Employer and the Union shall

discuss such differences, and if they are unable to reach agreement, they shall refer the Employee to a third independent physician who is board certified in the area of dispute to make the required evaluation, which evaluation shall be final and binding.

**ARTICLE 14**  
**PORTABILITY**

State Agency: The Employer shall observe Maryland Law with respect to the purchase of service credits or transfer of service credits for pension plan purposes attributable to the Employee's time served with an applicable governmental agency.

**ARTICLE 15**  
**PENSION PLANS**

A. The current Public Safety Employees Pension Plan shall be amended as of July 1, 2007. Employees retiring on or after July 1, 2007, after completion of 25 years of service, who elect a single life annuity as defined in the Public Safety Employees Pension Plan (PSEPP), shall receive normal retirement benefits as monthly income payable for life in an amount equal to 60% of the final average monthly compensation in accordance with the PSEPP trust agreement. Based on the Employee's number of years of service as of July 1, 2007, until their retirement date, Employees are required to contribute to the PSEPP effective the first pay date following July 1, 2007, as follows:

<u>Years of Service</u>	<u>% of Contribution</u>
0 to less than 15 to date of retirement	8%
15 to date of retirement	8.5%

Employees shall have the option to cease pension contributions after 25 years of service and elect to receive a pension benefit of 60% of the three-year final average base pay received prior to completion of 25 years of service.

- B. Retiring Employees will receive one month of additional service credit at the rate of 22 days (176 hours) equal to one (1) month of service of unused sick leave. The sick leave credit will be granted only for the benefit amount, not retirement eligibility, and will be credited beyond the usual service cap.
- C. The Employer will contribute a 25% match of deferred compensation Employee contributions up to a maximum of \$300 per year per Employee to the ICMA 457 Retirement Corporation Plan.

**ARTICLE 16**  
**VACATIONS, HOLIDAYS, AND LEAVE**

A. Holidays: The Employer shall continue its current practice with respect to observance and payment of holiday leave as follows:

1. Employees of the Union shall be entitled to ninety-six (96) hours of holiday leave during each calendar year for the following stated holidays at the straight time rate of pay:

New Year's Day, President's Day, July Fourth, Columbus Day, Thanksgiving (2), Martin L. King's Birthday, Memorial Day, Labor Day, Veteran's Day and Christmas (2).

2. In addition, Employees who work on Thanksgiving day or Christmas day from midnight to 0700 or from 0700 to midnight, or December 31 during the hours from 0700 through 0700 January 1 will be paid at one and one-half (1½) times their regular rate of pay for each hour worked.
3. Employees who work on all other holidays will be paid at straight time for all hours worked. Employees who work on a holiday shall be entitled to alternate holiday leave.
4. A maximum of (40) forty holiday hours can be carried over into the next calendar year as authorized under Section 5.2 of the Employer's Employee Handbook (10/1/05). Alternate holiday leave will not extend into the next calendar year unless the holiday falls in November or December of the current year.

B. Personal Leave: Each Employee shall be granted sixteen (16) paid personal leave hours as paid leave each calendar year to be used within the calendar year. Personal hours may be used for any personal issue on an unscheduled basis subject to departmental needs.

C. Annual Leave: Employees shall be entitled to receive paid annual leave accrued in accordance with the following schedule based on years of service:

<u>Years of Continuous Service</u>	<u>Accrual Per Pay Period/Total P/ Yr</u>
Beginning employment but less than 5 years	3.08 (80 hours/year)
5 <sup>th</sup> year but less than 10 years	4.62 (120 hours/year)
10 <sup>th</sup> year but less than 20 years	6.15 (160 hours/year)
20 <sup>th</sup> year or more	7.69 (200 hours/year)

Employees may carry over eighty (80) hours of accrued but unused annual leave into their new year, on their employment anniversary date. This is in addition to the

Employee's accrual earnings based on the Employee's years of service. Accrued annual leave may be paid upon termination of employment at the Employee's regular pay rate per hour accrued.

- D. Jury Leave: Employees shall be entitled to leave with pay for all regularly scheduled work hours that he is required to serve as a member of the jury. Fees received for jury duty must be remitted to the City.
- E. Military Leave: Employees who serve in a military training or reserve program of the Armed Forces of the United States shall be entitled to leave with pay, provided the Employee offers valid proof of such military service. In no event, however, shall military leave exceed a maximum of eighty (80) hours per year. Employees called to active military duty shall receive a military combat pay differential based on the difference between their base salary from the Employer and their military compensation for their entire tour on active duty, whether in the United States or in a war zone outside of the continental United States. All benefits including accruals, pension, and insurance coverage will remain intact as though the Employee was actively at work rather than on active duty.
- F. Bereavement/Compassionate Leave: The Employer shall continue its current practice with respect to observance and payment of bereavement leave. Employees shall be entitled to leave with pay for twenty-four (24) hours, or thirty-two (32) hours if the funeral is more than 200 miles, one way, from Ocean City, ending no more than one day after the burial in the event of a death in his/her immediate family. Immediate family includes the Employee's spouse, children, parents, brother, sister, grandparents, legal guardian, current brothers-in-law, current sisters-in-law, current parents-in-law, current grandparents-in-law or grandchildren.
- G. Civil Leave for Voting: Employees who are registered to vote shall be allowed a reasonable amount of time to be excused from work for the purpose of voting, when approved by the Fire/EMS Captain or Fire Marshal or their designee.

#### **ARTICLE 17** **UNION ADMINISTRATIVE LEAVE**

- A. Employees elected or appointed to represent the Union shall be granted time to perform their Union business.
- B. Union Leave: The Employer shall annually grant the Union one hundred fifty (150) hours of paid leave to conduct Union business. Unused Union leave may be carried over from one year to the next except the total accumulated carry over of such leave from one year to the next may not exceed seventy-five (75) hours.

1. In addition to 150 hours of paid Union Leave, the Employer shall credit to the Union Leave Bank all personal leave days or hours (paid), not used by members by the end of the calendar year, except those that the Employee is entitled to carry over pursuant to this Agreement.
  2. The Union may create and administer a bank of donated leave, for additional paid time to conduct Union business. The Union must provide to the Employer a signed authorization form to deduct annual leave from the accruals of donating members.
  3. The Employer shall accept the form, provided by the Union, signed by members of the bargaining unit, authorizing the automatic deduction of annual leave for credit into the Union leave bank. Such authorization shall remain in effect until revoked by the Employee.
  4. The total leave granted for Union business shall not exceed 225 hours in any fiscal year.
  5. The Fire/EMS Division Captain or Fire Marshal, or his designee, must approve all use of Union leave in writing, in advance, but he shall not unreasonably deny such requests.
- C. Negotiations: Up to seven (7) members of the Union shall be allowed time off for meetings, which shall be mutually set by Employer and the Union for the purpose of negotiating a successor Agreement.
- D. The Fire/EMS Division and Fire Marshal's Office shall provide the Union with the name(s) and rank(s) of all new Employees and their home address(es) within ten (10) days after the date of hire. The Employer shall give the Union an opportunity to meet with each new Employee within the first fifteen (15) days that the Employee begins work.

## **ARTICLE 18**

### **LABOR MANAGEMENT COMMITTEE**

There shall be established a joint Labor Management Committee consisting of three (3) Union representatives; the Union President, and one (1) from Fire/EMS Division and one (1) from the OFM and up to three (3) Departmental supervisors or their designees. The Committee shall meet quarterly, except upon the majority consent of the Committee. It shall consider, evaluate, and if in agreement, make recommendations with respect to specific matters bearing upon the economy, efficiency, or alterations in Fire/EMS or Fire Marshal operations and/or upon the welfare of its Employees, whether or not such matters are negotiable. Union Representatives shall be deemed to be in duty status while attending such meetings. Nothing in this article shall constitute a substitution for the grievance procedure contained in this agreement, nor shall it be used to compromise the

Employer's duty to deal and bargain with the Union, over mandatory subjects of bargaining as defined in the Ocean City Labor Code.

**ARTICLE 19**  
**PROTECTION AGAINST LIABILITY**

Legal Counsel shall be provided in any civil case when the plaintiff alleges that an Employee should be held liable for acts alleged to be within the scope of his employment and/or his official capacity. Subject to the approval of the Employer and provided the Employee cooperates in the defense, indemnification for compensatory damages will also be provided to any Employee of the unit for actions arising out of the scope of his/her employment. The decision as to indemnification as to punitive damages shall be at the sole discretion of the Mayor and City Council and shall not be subject to the grievance procedure.

**ARTICLE 20**  
**PERSONNEL RECORDS**

Employees covered by this Agreement shall have access to their personnel records in accordance with Article 3.24 of the Employer's Employee Handbook.

**ARTICLE 21**  
**UNION COMMUNICATIONS**

- A. The Employer agrees to provide reasonable bulletin board space labeled with the IAFF logo and name in the Fire/EMS Division Office, Fire Marshal's Office and all City fire stations where Employees work, for the purpose of allowing the Union to inform its membership of Union business and activities. The Union President or Secretary shall sign all notices. No scurrilous or defamatory material shall be posted. The Department shall remove any materials posted in violation of this Section. The space so designated shall be maintained in an orderly manner to include periodic removal of outdated material.
  
- B. The Employer agrees to permit the President of the Union or his or her designee to have use of the Employer's voice mail system, e-mail system, interdepartmental mail and mailboxes to communicate with the Employees of the bargaining unit.

**ARTICLE 22**  
**LAY-OFF / PERSONNEL REDUCTION**

If the Employer determines that layoffs in the bargaining unit are necessary, it shall meet with the Union to discuss and negotiate the effects of its decision to lay off members of the bargaining unit and the process for recall.

**ARTICLE 23**  
**DISCIPLINE AND DISCHARGE**

- A. The Employer shall discipline and discharge non-probationary Employees only for just cause. The Employer has the right to discipline or discharge Employees who are on probation for any reason in its discretion. An Employee shall be considered to be probationary for the first 12 calendar months of his employment in the bargaining unit. This probationary period may be extended by agreement between the Union and the Employer, and it shall not include periods in which the Employee is not present for work for 30 or more consecutive days.
  
- B. No Employee, except a probationary Employee, shall be discharged for just cause without a hearing conducted by the Employer. This hearing shall not be held prior to the discharge in the case of exigent circumstances. In the case of a post discharge hearing, the hearing will be held within seven (7) days of the date of the discharge. This hearing shall not be considered part of the grievance procedure; it shall be conducted in accordance with legal requirements. Upon reasonably timely request, the Union shall be entitled to copies of documents reasonably related to the matter prior to the hearing. At the hearing, the Employee shall have the right to be accompanied and represented by the Union and/or its legal counsel.
  
- C. Grievances concerning discipline or discharge of an Employee shall be subject to the grievance and arbitration procedure in Article 7 of this Agreement.

**ARTICLE 24**  
**PROMOTION**

Promotions to competitive positions within the bargaining unit are made after an evaluation of each individual's qualifications. The Employer's promotional program for positions within the bargaining unit will provide that qualified bargaining unit Employees are given an opportunity to receive fair and appropriate consideration for higher level bargaining unit positions. Announcements for promotional examinations and vacancies shall be posted on designated IAFF bulletin boards in the Fire/EMS Office, Fire Marshal's Office and by e-mail to all Employees. Successful candidates for promotion to competitive positions shall be placed on the eligibility list, in order of qualification, and the Employer's selection shall be made from the top five on the list

**ARTICLE 25**  
**MEDICAL EVALUATIONS**

- A. The Employer shall continue to have authority to direct Employees for an annual medical evaluation. When an Employee is directed by the City to report for an evaluation, the Employer shall require the medical clinic or evaluator to correctly disclose the scope and terms of its professional engagement to the Employee.

- B. No Employee shall be required, as a condition of employment, to authorize any Employer specified facility to assume the capacity of that Employee's treating physician or treating medical care provider.
- C. No Employee shall be required to consent to a medical procedure or test that is inconsistent with generally accepted medical principles, or which, otherwise, is not medically indicated.
- D. The Employer shall, at all times, honor and require the medical clinic or evaluator, and the Fire/EMS Division or Fire Marshals Office, to honor its Employees' confidentiality and privacy rights with regard to medical information and care.

**ARTICLE 26**  
**HEALTH AND SAFETY**

To enable the Union to safeguard the health, safety and well being of all Bargaining Unit Employees, the Employer shall, within 30 days after request by the Union, furnish to the Union either (1) copies of any work site inspections or statements of clinical findings which may concern the work or place(s) of employment of members of the Union's Bargaining Unit; or (2) any information that is within the Employer's possession, custody or control about specific pathogens, contagions, environmental hazards, toxic chemicals, health or accident risks that are under active study.

**ARTICLE 27**  
**HEALTH AND SAFETY COMMITTEE**

To insure a safe work environment there shall be a joint safety and health committee, composed of two (2) members from the bargaining unit and one (1) representative appointed by the Emergency Services Director and one (1) representative appointed by the Fire Marshal or their designee which shall meet no less than on a quarterly basis.

**ARTICLE 28**  
**MISCELLANEOUS PROVISIONS**

- A. Bus service shall be available to Employees if they present their Town of Ocean City ID Card.
- B. The Employer shall continue its current practice with respect to procedures and payment of tuition reimbursement in accordance with Article 6.1 of the Employer's Employee Handbook.

**ARTICLE 29**  
**PERSONAL PRONOUNS**

In all instances in this Agreement in which the masculine form of the third person pronoun is used, such pronoun shall refer to both male and female Employees.

**ARTICLE 30**  
**SAVINGS CLAUSE**

If any provision of this Agreement, or the application of such provision, should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the remaining parts or portions of this Agreement shall remain in full force and effect.

**ARTICLE 31**  
**PRINTING OF AGREEMENT**

This Agreement shall be printed and distributed to the bargaining unit by the Union. The Employer shall reimburse the Union for fifty percent (50%) of the cost for said printing.

**ARTICLE 32**  
**NO STRIKE OR LOCKOUT**

- A. The rights and obligations set forth in Article IV, Section 42-79 of the Labor Code shall apply to the parties.
- B. Nothing in this Agreement shall alter the rights, obligations and/or remedies that are provided in Article IV, Section 42-79 of the Labor Code.

**ARTICLE 33**  
**DURATION**

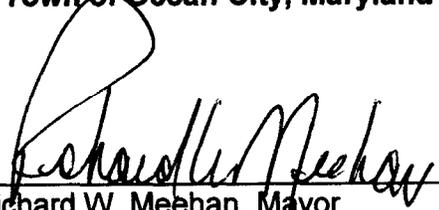
This Agreement shall become effective July 1, 2007, and remain in full force and effect through June 30, 2010. It shall automatically be renewed from year to year thereafter, unless either party shall give to the other party written notice of a desire to terminate, modify or amend this Agreement. Such notice shall be given to the other party in writing by certified mail no later than October 1 of the year preceding the date of termination.

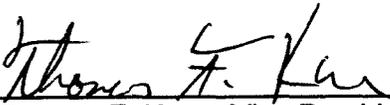
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year written above.

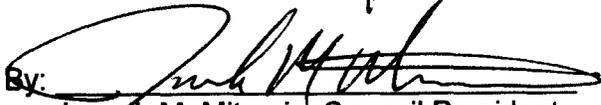
**Career Firefighter Paramedics Association  
of Ocean City, International Association  
of Fire Fighters, Local 4269, AFL-CIO**

**The Town of Ocean City, Maryland**

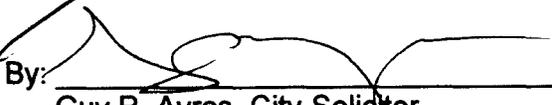
By:   
Michael S. Maykrantz, President

By:   
Richard W. Meehan, Mayor

By:   
Thomas F. Kane, Vice President

By:   
Joseph M. Mitrecic, Council President

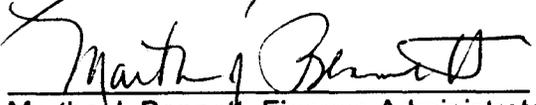
By:   
Earl P. Plice, Jr., Board Member

By:   
Guy R. Ayres, City Solicitor

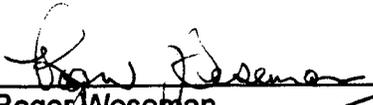
By:   
George K. Branjecki  
Negotiating Committee Member

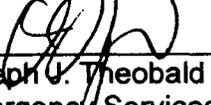
By:   
Dennis W. Dare, City Manager

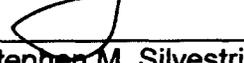
By:   
Rex A. Foxwell  
Negotiating Committee Member

By:   
Martha J. Bennett, Finance Administrator

By:   
Joseph E. Sexauer  
Negotiating Committee Member

By:   
Roger Weselman  
Human Resource Director

By:   
Joseph J. Theobald  
Emergency Services Director

By:   
Stephen M. Silvestri  
Town of Ocean City Counsel

**APPENDIX 1  
Pay Scales, Ocean City EMS/FM, Effective 07/01/2007 for FY-2008**

Step	Fire Fighter/EMT II		Fire Fighter/EMT III		Fire Fighter/EMT IV		Fire/EMS 2nd Lieutenant		Fire/ EMS Lieutenant	
	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly
1	\$35,502	17.0681	\$38,945	18.7236	\$42,723	20.5400	\$44,859	21.5670	\$46,867	22.5324
2	37,277	17.9215	40,892	19.6598	44,859	21.5670	47,102	22.6454	49,211	23.6590
3	39,141	18.8176	42,937	20.6428	47,102	22.6454	49,458	23.7777	51,671	24.8420
4	41,097	19.7584	45,084	21.6749	49,457	23.7776	51,931	24.9666	54,255	26.0840
5	43,153	20.7464	47,338	22.7586	51,931	24.9666	54,527	26.2149	56,967	27.3882
6	45,310	21.7837	49,705	23.8965	54,527	26.2149	57,253	27.5256	59,816	28.7576
7	47,576	22.8729	52,190	25.0913	57,253	27.5256	60,116	28.9019	62,807	30.1955
8	49,954	24.0165	54,799	26.3459	60,116	28.9019	63,122	30.3470	65,947	31.7052
9	52,452	25.2174	57,539	27.6632	63,122	30.3470	66,278	31.8644	69,244	33.2905
10	52,452	25.2174	57,539	27.6632	63,122	30.3470	66,278	31.8644	69,244	33.2905
11	53,763	25.8478	58,978	28.3548	64,700	31.1057	67,935	32.6610	70,975	34.1227
12	53,763	25.8478	58,978	28.3548	64,700	31.1057	67,935	32.6610	70,975	34.1227
13	53,763	25.8478	58,978	28.3548	64,700	31.1057	67,935	32.6610	70,975	34.1227
14	55,108	26.4940	60,452	29.0637	66,317	31.8833	69,633	33.4775	72,750	34.9758
15	56,485	27.1564	61,964	29.7903	67,975	32.6803	71,374	34.3144	74,568	35.8502

**Pay Scales, Ocean City OFM, Effective 07/01/2007 for FY-2008**

Step	109		111		112		113	
	Fire Inspector		Deputy Fire Marshal I Marshal I		Deputy Fire Marshal II Marshal II		Deputy Fire Marshal/ Plans Examiner	
	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly
1	\$ 35,502	\$17.0681	-	-	-	-	-	-
2	37,277	17.9215	-	-	-	-	-	-
3	39,141	18.8176	\$ 47,102	22.6454	-	-	-	-
4	41,097	19.7584	49,457	23.7776	\$ 54,255	26.0840	\$ 59,518	28.6142
5	43,153	20.7464	51,931	24.9666	56,967	27.3882	62,494	30.0450
6	45,310	21.7837	54,527	26.2149	59,816	28.7576	65,618	31.5473
7	47,576	22.8729	57,253	27.5256	62,807	30.1955	68,899	33.1247
8	49,954	24.0165	60,116	28.9019	65,947	31.7052	72,344	34.7809
9	52,452	25.2174	63,122	30.3470	69,244	33.2905	75,961	36.5199
10	52,452	25.2174	63,122	30.3470	69,244	33.2905	75,961	36.5199
11	62,073	25.8478	64,700	31.1057	70,975	34.1227	77,860	37.4329
12	53,763	25.8478	64,700	31.1057	70,975	34.1227	77,860	37.4329
13	53,763	25.8478	64,700	31.1057	70,975	34.1227	77,860	37.4329
14	55,108	26.4940	66,317	31.8833	72,750	34.9758	79,807	38.3687
15	56,485	27.1564	67,975	32.6803	74,568	35.8502	81,802	39.3279

0

**Pay Scales, Ocean City EMS/FM, Effective 07/01/2008 for FY-2009**

0

Step	Fire Fighter/EMT II		Fire Fighter/EMT III		Fire Fighter/EMT IV		Fire EMS 2nd Lieutenant		Fire/ EMS Lieutenant	
	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly	Annual	Hourly
1	\$36,993	\$ 17.7850	\$40,581	\$ 19.5101	\$44,517	\$ 21.4026	\$46,743	\$ 22.4727	\$48,836	23.4786
2	38,842	18.6742	42,610	20.4856	46,743	22.4727	49,080	23.5963	51,277	24.6526
3	40,784	19.6079	44,741	21.5099	49,080	23.5963	51,534	24.7761	53,841	25.8852
4	42,824	20.5883	46,978	22.5854	51,534	24.7761	54,111	26.0149	56,533	27.1795
5	44,965	21.6177	49,326	23.7147	54,111	26.0149	56,816	27.3156	59,360	28.5385
6	47,213	22.6986	51,793	24.9004	56,816	27.3156	59,657	28.6814	62,328	29.9654
7	49,574	23.8335	54,382	26.1454	59,657	28.6814	62,640	30.1155	65,444	31.4637
8	52,052	25.0252	57,102	27.4527	62,640	30.1155	65,772	31.6213	68,717	33.0369
9	54,655	26.2765	59,957	28.8253	65,772	31.6213	69,061	33.2024	72,152	34.6887
10	55,748	26.8020	61,156	29.4018	67,088	32.2537	70,442	33.8664	73,596	35.3825
11	56,584	27.2040	62,073	29.8428	68,094	32.7375	71,499	34.3744	74,699	35.9132
12	57,433	27.6121	63,004	30.2904	69,115	33.2286	72,571	34.8900	75,820	36.4519
13	58,295	28.0263	63,949	30.7448	70,152	33.7270	73,660	35.4134	76,957	36.9987
14	59,169	28.4467	64,908	31.2060	71,204	34.2329	74,765	35.9446	78,112	37.5537
15	60,057	28.8734	65,882	31.6741	72,273	34.7464	75,886	36.4838	79,283	38.1170

**APPENDIX II**  
**FIRE/EMS UNIFORMS AND EQUIPMENT**

**Class A Uniform**

- (1) White dress uniform shirt
- (1) Pair dark blue uniform pants
- (1) Dark blue blouse
- (1) Pair leather dress shoes
- (1) Dark blue or white bell cap with badge
- (1) Pair of white parade gloves
- (1) Clip on tie
- (1) Tie clasp
- (1) Leather uniform belt
- (2) Badges for shirt and blouse
- (2) Sets of collar devices
- (1) Metal name tag
- Qualification badges
- Commendation ribbons as earned

**Class B Uniform**

- (3) Dark blue uniform shirts
- (3) White uniform shirts (officer)
- (1) Golf shirt w/ department logo
- (3) Dark blue uniform pants
- (1) NFPA Class I harness belt
- (5) Department issued tee shirts
- (1) Pair of sweat pants
- (1) Sweatshirt
- (1) Gym short
- (2) Job Shirt
- (1) Station jacket
- (1) 3 season coat
- (1) Knit cap
- (1) Cold weather gloves
- (1) Baseball Cap
- (1) Station boot at max of \$190 p/pair
- (1) Department issue badge
- (1) Metal name tag
- (2) Sets of collar devices

**Miscellaneous**

- (1) City issued Radio with lapel microphone
- (1) Radio Charger with extra battery
- (1) FDNY Style radio strap
- (1) Radio case
- (1) Department issued alpha pager
- (1) Personal rechargeable hand light
- (1) Set of 500 business cards (staff only)

**Turn-Out Gear**

- (1) NFPA compliant turnout coat
- (1) NFPA compliant turnout pants
- (1) Turnout pants suspenders
- (1) Carbon fiber hood (black)
- (1) Set of firefighting gloves
- (1) Pair of extrication gloves
- (1) Pair of safety glasses
- (1) Cairns N5A Black Leather Fire Helmet
- (1) Reflective safety vest
- (1) Pair of leather turnout pants boots
- (1) Turnout gear flashlight w/ charger
- (1) 50' Personal escape rope and carabiner
- (1) Personal SCBA mask and bag
- (1) Milwaukee Style strap for N5A Helmet
- (1) Pair of leather work gloves
- (1) Pair of Nomex coveralls
- (2) Sets of hearing protection
- (1) Gear duffle bag

**In Addition:**

Tech Rescue Team Members:

- (1) Pacific Rescue Helmet

Dive Rescue Team Members:

- (1) 3mm Wetsuit, Mask, Fins, Gloves and Boots

Haz-Mat Team Members:

- (1) Nomex Coveralls and Rubber Boots

**APPENDIX III**  
**FIRE MARSHAL UNIFORMS AND EQUIPMENT**

**Standard Issue**

- (1) Duty belt w/silver buckle
- (2) Badges
- (1) Black Tie
- (1) Tie clasp
- (1) Pair of shirt stays
- (1) Black uniform sweater
- (1) Set of collar devices
- (1) Streamlight flashlight w/charger and holder
- (1) Metal name tag
- (1) Winter jacket
- (1) Black job shirt
- (1) OC spray and holder
- (1) Plain clothes badge holder
- (1) OSHA white hardhat w/nomex winter liner
- (1) 3 season coat
- (1) Set of rain gear
- (1) City issued radio w/ lapel microphone
- (1) Radio charger with 1 extra battery
- (1) Radio ear bud
- (1) Half face respirator w/P100 filter
- (1) Winter insulated gloves
- (1) Insulated coveralls
- (1) Un-insulated coveralls
- (1) Pair of safety glasses
- (1) CPR pocket mask
- (1) Class A dress uniform (2 yr phase in) as listed in Appendix II
- (1) Business cards

**Annual Issue**

- (1) Long sleeve white uniform shirt
- (4) Short sleeve white uniform shirts
- (4) Grey cotton golf shirts w/ FM logo
- (1) Work boots
- (4) Pairs of uniform pants

**MPTC (Maryland Police Training Commission) Certified**

- (1) Firearm
- (3) Firearm magazines
- (1) Holster
- (1) Magazine pouch
- (1) Expandable baton w/ holder
- (1) Handcuffs w/ keys and case
- (1) Ballistic vest



TOWN OF  
**OCEAN CITY**

*The White Marlin Capital of the World*

APPENDIX IV

Ocean City Emergency Services  
Office of the Director  
6501 Coastal Highway  
P.O. Box 158  
Ocean City, Maryland 21843

July 1, 2007

Michael S. Maykrantz, President  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269  
Ocean City, Maryland 21843

Dear Michael:

This will confirm that during negotiations for the collective bargaining agreement commencing on July 1, 2007, the Union and Ocean City discussed and agreed that during the first year of the agreement (July 1, 2007 – June 30, 2008), the Town will evaluate, and where necessary, make changes to the qualifications and continuing education required for part-time Fire Fighter/ EMT positions.

During the first year of the Agreement, the Town will also implement and monitor attendance standards for all part-time Fire Fighter/EMT personnel.

Sincerely,

Joseph J. Theobald  
Director of Emergency Services

Agreed to:

Michael S. Maykrantz, President

MAYOR & CITY COUNCIL  
P.O. BOX 158  
OCEAN CITY,  
MARYLAND 21843-0158

[www.town.ocean-city.md.us](http://www.town.ocean-city.md.us)

MAYOR  
RICHARD W. MEEHAN

**CITY COUNCIL MEMBERS**

JOSEPH M. MITRECIC  
*President*  
NANCY L. HOWARD  
*Secretary*

JAMES S. HALL  
JAMES W. HANCOCK, III  
MARY P. KNIGHT  
LLOYD MARTIN  
MARGARET PILLAS

DENNIS W. DARE  
*City Manager*

CAROL L. JACOBS  
*City Clerk*

Ocean City, MD





TOWN OF  
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APPENDIX V

City Manager  
Town of Ocean City, Maryland  
301 Baltimore Ave  
P.O. Box 158  
Ocean City, Maryland 21843

July 1, 2007

Michael S. Maykrantz, President  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269  
Ocean City, Maryland 21843

Dear Michael:

This will confirm that during negotiations for the collective bargaining agreement commencing on July 1, 2007, the I.A.F.F. and the Town of Ocean City discussed and agreed that the Town shall use its best efforts to continue existing liability coverage during the term of the agreement. The liability coverage may be subject to changes in the Town paid retention. The Town agrees to notify the Union and affected Employees if it receives notice of cancellation or reduction of coverage.

Sincerely,

Dennis W. Dare  
City Manager

Agreed to:

Michael S. Maykrantz, President

MAYOR & CITY COUNCIL  
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*City Clerk*

Ocean City, MD





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APPENDIX VI

Ocean City Emergency Services  
Office of the Director  
6501 Coastal Highway  
P.O. Box 158  
Ocean City, Maryland 21843

July 1, 2007

Michael S. Maykrantz, President  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269  
Ocean City, Maryland 21843

Dear Michael:

This will confirm that during negotiations for the collective bargaining agreement commencing on July 1, 2007, the Union and the Town of Ocean City discussed and agreed that if the Town develops standards for duty to act in certain emergency situations for Employees who are off duty, the Town will meet with the Union and discuss such standards.

Sincerely,

Dennis W. Dare  
City Manager

Agreed to:

Michael S. Maykrantz, President

MAYOR & CITY COUNCIL  
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Ocean City, MD





TOWN OF  
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APPENDIX VII

City Manager  
Town of Ocean City, Maryland  
301 Baltimore Ave  
P.O. Box 158  
Ocean City, Maryland 21843

July 1, 2007

Michael S. Maykrantz, President  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269  
Ocean City, Maryland 21843

Dear Michael:

This will confirm that during negotiations for the collective bargaining agreement commencing on July 1, 2007, the I.A.F.F. and the Town of Ocean City discussed and agreed that the Town will inform the Union and its counsel of the creation of policies or changes in any existing policies regarding: (1) command and reporting authority or responsibility for Employees of the Office of the Fire Marshal with respect to either the Police Department; or (2) coverage of Employees of the Office of Fire Marshall under the Law Enforcement Officers Bill of Rights (the LEOBR).

Sincerely,

Dennis W. Dare  
City Manager

Agreed to:

Michael S. Maykrantz, President

MAYOR & CITY COUNCIL  
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Ocean City, MD





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APPENDIX VIII

Ocean City Emergency Services  
Office of the Director  
6501 Coastal Highway  
P.O. Box 158  
Ocean City, Maryland 21843

July 1, 2007

Michael S. Maykrantz, President  
Career Firefighter Paramedics Association of Ocean City,  
International Association of Fire Fighters, Local 4269  
Ocean City, Maryland 21843

Dear Michael:

This will confirm that during negotiations for the collective bargaining agreement commencing on July 1, 2007, the Union and Ocean City agreed that the Town shall notify the Union in writing of any proposed changes to the Fire EMS/Division or Office of the Fire Marshall operating rules and regulations, and the notice will include the specific proposed changes. The Fire EMS/Division or Office of the Fire Marshall will discuss such changes with the Union prior to implementation.

Sincerely,

Joseph J. Theobald  
Director of Emergency Services

Agreed to:

Michael S. Maykrantz, President

MAYOR & CITY COUNCIL  
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DENNIS W. DARE  
*City Manager*

CAROL L. JACOBS  
*City Clerk*

Ocean City, MD



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MEMORANDUM

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Ocean City, MD



**DATE: OCTOBER 22, 2009**  
**TO: MAYOR & CITY COUNCIL**  
**FROM: DENNIS W. DARE, CITY MANAGER**  
**RE: EMPLOYEE HEALTH CARE AND PENSION BENEFITS**

---

**EMPLOYEE HEALTH CARE**

In the last four (4) years, significant changes have been made to the health insurance program for our employees.

In 2006, we changed carriers for health, prescription, vision, dental and life and saved \$340,937.

In 2007, we negotiated the renewal increase and also implemented a Medicare Supplement Plan for over-age 65 retirees resulting in a \$109,359 savings.

In 2008, the office visit co-pay was increased and prescription co-pay changed for a savings of \$170,900.

In 2009, the renewal increase was negotiated and the out-of-network maximum was increased to realize a savings of \$291,303.

In all, the savings over the last four years totals \$912,499.

The town offers a Flexible Spending Account to all employees. Many take advantage of this cost savings program because it offers pre-tax savings.

We recently reviewed the contract performance with the provider. He briefed us on another product called Health Savings Accounts. These are widely used in high deductible plans. Again, they are pre-tax deductions, and the combination of a high deductible policy with a pre-tax health savings account is attractive to many younger employees.

## MEMORANDUM

The problem with considering this today is the pending changes in Congress regarding national health care. There is a strong possibility the pre-tax programs could be eliminated in order to help pay for the cost of the national program. Any changes we make now could be obsolete in the next several months.

Therefore, I recommend we forgo any extensive changes at this time to the existing health benefit until the national issue is resolved and the ramifications are understood.

### **EMPLOYEE PENSION BENEFITS**

We recently reviewed the pension plans in detail and provided ample reference material to review possible changes. Of primary interest to some was a change from defined benefit to a defined contribution. The following summarizes major points regarding advantages and disadvantages of closing the defined benefit plan.

Closing the 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.

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 may, over time, press for a 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 the stock market dives, employees in a 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.

The 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.

As with health insurance, the Town has been making changes to the pension plans recently to contain the costs.

MEMORANDUM

The Unit Credit Method was installed in 1996 and resulted in major cost savings. Prior to the change, an employee could work for 15 years and retire with full benefits at age 65. It was changed to 30 years and each year the employee earns 1/30<sup>th</sup>. For example, Worcester County has not made this change and in fact only requires 12 years of employment, resulting in extremely high pension funding cost.

Prior to the change two years ago, employee contributions stopped when 25/30 years of service were reached. The change to continue their 5, 8 or 8½ percent contribution until retirement resulted in significant cost savings to the Town.

The change in 15 to 25 years of service required for retiree health insurance coverage resulted in a cost savings.

Recent investment strategies to “smooth” the funding of pension plan adjustments has allowed for more consistent and predicible funding.

The Town's Pension Plans are lean when compared with other governments. They do not contain a COLA (Cost of Living Adjustment). This is extremely costly and is largely responsible for many major corporation's financial struggles and failures. Also, the Town does not cover Retiree Health for dependants. And again, this is extremely expensive and is the root of many corporate and government funding problems. At one-third, the Town has a higher employee contribution than most other pension funds.

These differences makes our plan sustainable, and it is recommended we retain the current defined benefit pension and continue to make minor modifications as they are identified to contain our costs.

## ISSUE BRIEF

### Town of Ocean City Pension Plans

The current global recession and crisis in financial markets has caused unprecedented losses for all individual retirement accounts and employer sponsored plans. While many individuals nearing retirement age may not have time to recover their losses, employer plans are designed to maintain a long-term outlook to manage their pension obligations. During financial volatility, this requires an assessment of the plans' current funded status and a review of the plans' investment policy to ensure that it remains appropriate and that the plan continues to follow it. The Trustees of the Town's plans reviewed proposals from investment advisors and have voted to keep the current investment advisor, Morgan Stanley Smith Barney. On August 10, Mercer gave plans' actuarial reports as of March 31, 2009.

As of March 31, 2009, plan assets were 22% less than they were in March of 2008. The funding percentage was 68% for the Public Safety Plan and 72% for the General Employees Plan. The Trustees have evaluated investments and diversified the portfolio to improve the funded status of the plans. This is important to both the Town and the employees. Since the Public Safety Plan was established in 1991, employees have made 35% of all contributions to the plan. General employees started making contributions in 2005 and made 30% of total contributions from 2005 to 2009.

Public employer pension plans vary considerably from private plans and from each other. Eighty percent of public sector participants have defined benefit plans. The primary difference of the Town defined benefit plans from many other public employer plans is that the Town plans do not provide any cost-of-living adjustments. Also, Town employees are covered by Social Security and 364 employees make pre-tax contributions to the Town sponsored 457 deferred compensation plan.

The Town first created a non-contributory single employer defined benefit pension plan for its employees in 1972, which provided monthly income for life equal to 35% of pay with a minimum of 15 years of service. In 1990, a separate pension plan was established for Public Safety employees. Public Safety employees contributed 7% of pay and received a benefit of 50% of pay after 25 years of service. Forty-one Wastewater Fund employees who were transferred to the Town from the Worcester County Department of Water and Wastewater Services in 1994 participate in a contributory defined benefit plan administered by Nationwide Financial Company for County water and wastewater employees.

Plan benefits have been both reduced and improved over the years. The most significant change was made when the pension plan formulas were amended to accrue the benefit evenly over years of service rather than a minimum of 15 years of service. The two Town plans are currently as follows:

#### General Employees Pension Plan (PERS)

The single-employee defined benefit plan covers all non-public safety employees and wastewater employees hired after July 1, 1994. The pension plan provides retirement, disability, and death benefits. A member may retire at age 55 with 10 years of continuous service (reduced early retirement), at age 55 with 30 years of continuous service (unreduced early retirement), at age 65 (normal retirement), or postpone retirement. Benefits begin to vest after 5 years of continuous employment, and participants are fully vested after 15 years of continuous employment, or at retirement age if sooner.

The plan provides retirement benefits which are a monthly income payable for life in an amount equal to 50% of final average monthly compensation reduced 1/30th for each year of service less than 30. Final benefit is based on average compensation of the three

highest consecutive years in the last ten years prior to retirement. The benefit is unreduced at age 55 with 30 years of service. Full-time employees participate immediately at hire. Participants contribute 5% of pay until retirement. Additionally, retiring employees receive one month of additional service credit for each 176 hours of unused sick leave for the benefit amount, not retirement eligibility, with a credit assumption equal to 2% of other service.

#### Public Safety Employees Pension Plan (PSEPP)

All of the Town's full-time police officers, firefighter/emergency medical technicians, fire marshals and communication employees participate in the Public Safety Employees Pension Plan (PSEPP), a single-employer, defined benefit pension plan. The plan provides retirement, disability, and death benefits. A member may retire at age 55 with 10 years of continuous service (reduced early retirement), at age 65 (normal retirement), after completion of 25 years of service (unreduced retirement with no age restriction) or postpone retirement. Benefits begin to vest after 5 years of continuous employment, and participants are fully vested after 15 years of continuous employment, or at retirement age if sooner.

Normal retirement benefits are a monthly income payable for life in an amount equal to 60% of final average monthly compensation. Final benefit is based on average compensation of the three highest consecutive years in the last ten years prior to retirement. The PSEPP also provides disability benefits and a \$10,000 death benefit. Retiring employees receive one month of additional service credit for each 176 hours of unused sick leave for the benefit amount, not retirement eligibility, with a credit assumption equal to 2% of other service.

Effective July 1, 2008, the plan was amended for police employees to add a deferred retirement option plan, to change the final average pay to use rates as of the employee's anniversary date, to allow service credit for up to 36 months of prior military or seasonal employment with the Town, and to extend the 8%-8.5% employee contribution for all years of service.

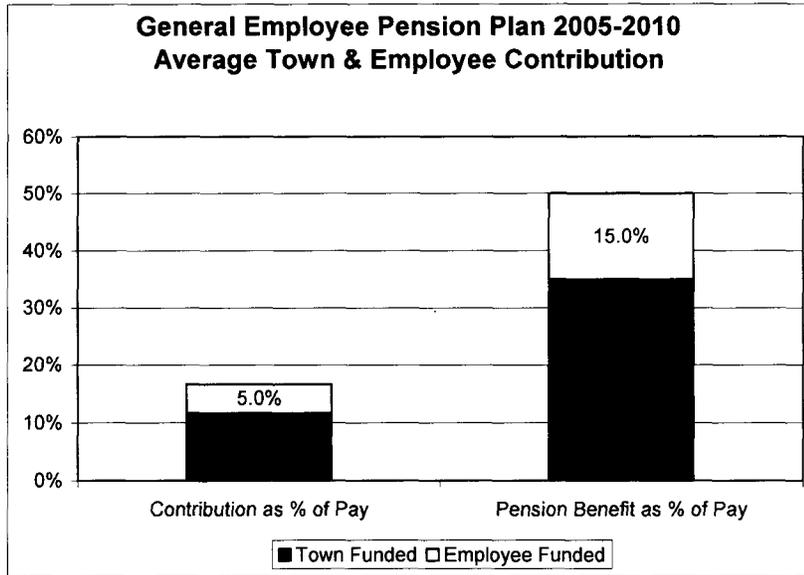
#### Town and Employee Contributions

Annual Town contributions are based upon the trust agreements that require the Town to make remaining actuarially determined periodic contributions using the projected unit credit actuarial cost method. The PERS pay all administrative costs. Police officers are required to contribute 8%. For all other public safety participants, contributions are 8% of pay for up to 15 years of service and 8.5% thereafter as of July 1, 2007. General employees contribute 5% of pay. In FY-08, the plans were changed to require employee contribution until retirement regardless of years of service.

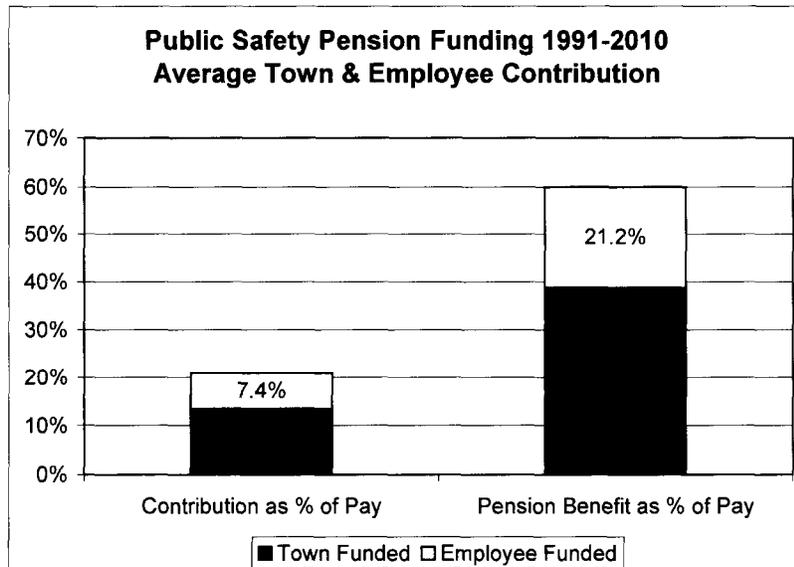
In FY-09, the Pension Trustees changed the required contribution calculation methodology from a 10-year, level percent of pay, closed gain/loss basis to contributing on a 10-year, level percent of pay, open gain/loss basis. This resulted in a smoothing of payments compared to the previous methodology by netting actuarial gains and losses.

For the FY-10 calculation, the Trustees approved changing the actuarial value of assets from market value to a 5-year average actuarial valuation of assets that reflects a five-year phase-in of actual versus expected return. This reduces large fluctuations in the contributions due to temporary or one-year changes in the market value of investments. Using the 5-year average actuarial valuation of assets is both rational and responsible for pension plans, which have both long-term investments and long-term liabilities.

From 1991 to 2010, the Town contribution for General Employees has averaged 7.5% of pay. Since 2004, when the benefit was increased from 35% of pay to 50% of pay, the Town's contribution averaged 11.5% of pay as the increase in the benefit was being amortized over 20 years. As a proportion of the pension benefit, the Town funds a benefit equivalent to 35% of final pay and the employee funds 15% of final pay for a pension benefit equal to 50% of final average compensation with 30 years of service.



From 1991 to 2010, the Town contribution for Public Safety Employees has averaged 13.5% of pay. As a proportion of the pension benefit, the Town funds a benefit equivalent to 38.8% of final pay and the employee funds 21.2% of final pay for a pension benefit equal to 60% of final average compensation with 25 years of service.



AGENDA  
POLICE COMMISSION MEETING MINUTES  
OPEN SESSION  
September 9, 2009 3:00 P.M.

Present: Mayor Meehan, Chairman Lloyd Martin, Council Members Jim Hall and Doug Cymek, Dennis Dare, Chief DiPino, Captains Colbert, Bunting, Bokinsky, and Kirstein, PFC Hugh Bean

1. Members approved minutes of August 12, 2009 Police Commission Open Session Minutes
2. Taxi Issues
  - A. Taxi Driver's License Appeal – Wilhelm Von Otto  

Mayor Meehan made the motion to suspend Mr. Von Otto's taxi license for sixty (60) days. He must pay the \$100 fine for the broken meter seal. Once all of the requirements have been met for a taxi license and Mr. Von Otto has not received any citations during his sixty days suspension, he will be granted his taxi license. The motion was seconded by Councilman Cymek.
  - B. Mr. Joshua Brown did not appear to appeal his taxi license denial.
3. Traffic and Parking Commission Matters
4. False Alarm Hearings
  - A. Discussion of 71<sup>st</sup> St. Post Office - \$1300 outstanding fines  

Councilman Cymek made a motion that the \$1300 in outstanding fees must be paid in full. After the system has been repaired and is operational without any false alarms in the following ninety day period, \$650 will be refunded. The postmaster must also submit the protocol for responding to false alarms at the post office. Councilman Jim Hall seconded the motion.

POLICE COMMISSION MEETING  
OPEN SESSION  
August 12, 2009 3:00 P.M.

Present: Mayor Meehan, Chairman Lloyd Martin, Council Members Jim Hall and Doug Cymek, Dennis Dare, Chief DiPino, Captains Colbert, Bunting, Bokinsky, and Kirstein, City Engineer Terry McGean, PFC Hugh Bean, PFC Michael Levy, Jessica King

1. The July 8, 2009 Police Commission Open Session Minutes and July 30, 2009 Open Session were approved.
2. Taxi Issues
  - A. Taxi Driver's Probationary License Appeal – Andrew Driscoll  

Appealed was denied based on charges of hit and run. Motion made by Councilman Jim Hall to deny the appeal and seconded by Mayor Meehan.
3. Traffic and Parking Commission Matters
  - A. On a trial basis, the Commission approved placing a temporary variable message sign at the Oceanic and one N of Worcester St. The sign will read “Full-Drop Off Only” when the lot has reached its peak capacity. Two OCPD officers will work with the lot supervisor to coordinate when there are empty parking spaces. The officers will count the vehicles exiting the lot. They will permit ten vehicles into the lot when ten vehicles have exited the lot. The police will continue to operate as usual with the exception of Harrison's entrances and the crossover lane to Harrison's will not be closed off. Chief DiPino directed Captain Colbert to draft a Standard Operating Procedure for this detail.  

Meanwhile, Terry McGean will work on adding a panel to the existing sign. The additional panel will read “Drop Off Only” while the main portion of the sign will read “Full” when the lot has reached capacity. The signs will be located on South Philadelphia at Worcester St. and South 1<sup>st</sup> St. and Baltimore Ave. Motion made by Councilman Jim Hall and seconded by Mayor Meehan.
  - B. The Commission decided to retain the current traffic signal timing at 48th Street at this time. The request to modify the timing of the traffic signal to increase the cycle length for the south bound left turn movement would shorten the cycle lengths for other movements.
  - C. Discussion of four way stop sign at 125th and Jamaica – the commission agreed to leave the intersection as is. A four way stop sign may increase accidents at the intersection and cause traffic backups.
4. False Alarm Hearings
5. Budget Reports

6. Old Business

7. New Business

- A. The message should be put out to the public; Fire Marshall's Office will enforce the CO ordinance with the maximum penalty. Invite the Fire Marshall to the next police commission meeting.
- B. Mayor Meehan has received complaints from citizens about the public changing clothes on the beach parking lot, along with nudity. The OCPD will POLITELY step up enforcement and maintain a higher police presence.