

April 20, 2009
Regular Session #8
Mayor and City Council
Town of Ocean City, Maryland

Present:

Mayor Richard W. Meehan
Council President Joseph M. Mitrecic
Council Secretary Lloyd E. Martin

Council Members
James S. Hall
Margaret L. Pillas
Mary P. Knight
Douglas S. Cymek
Joseph T. Hall, II

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, Special Events Director John Sullivan, City Clerk Carol Jacobs, Members of the Press and Interested Parties.

CALL TO ORDER

Council President Joe Mitrecic called this Regular Session to order at 6:00 p.m., in the Council Chambers of City Hall, 301 Baltimore Avenue, Ocean City, Maryland 21842.

PRAYER & PLEDGE

Pastor Ralph Krum of the Ocean City Seventh Day Adventist Church led the Prayer and Council Member Mary Knight led the Pledge of Allegiance.

ADJOURN TO CLOSED SESSION

Council Member Mary Knight moved to convene into closed session to: (1) consult with counsel to obtain legal advice; (2) discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal if public discussion or disclosure adversely impacts the public body's ability to competitively bid or make proposals, and; (3) consider the acquisition of real property for a public purpose and matters directly related thereto; seconded by Council Member Jim Hall. The vote was unanimous.

REPORT ON CLOSED SESSION

Council President Mitrecic reconvened the open meeting at 6:58 p.m.. He reported that, in the closed session held at 6:05 p.m., legal, real estate and contractual matters were discussed. 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, Finance Administrator Martha Lucey, Public Works Director Hal Adkins, City Engineer Terry McGean, Glen McIntyre, Vance Row and Joe Lotito.

Mayor Meehan advised that the Fraternal Order of Police agreed to amend the Collective Bargaining Agreement to forbear COLAs (Cost of Living Adjustments), step/merit increases and differential pay.

CITY MANAGER'S REPORT ON UPCOMING WORK SESSION

City Manager Dare reported that the following matters will be discussed in the upcoming work session:

- (1) Introduction of the new Ocean City Fire Department Officers
- (2) Bid Openings:
 - Inspection and maintenance of fire suppression systems
 - Airport mowing contract
 - RFP – Solid Waste Disposal (Privatization)
- (3) Recommendation to eliminate Policy 300-4 – Solid Waste Get and Go on-call – presented by Public Works Director Hal Adkins
- (4) Presentation of Somerset Plaza Agreements and Activities – presented by Ocean City Development Corporation Director Glenn Irwin

APPROVAL OF MINUTES

The Minutes for Regular Session #6, dated March 16, 2009, were approved as presented.

ITEMS PRESENTED BY THE MAYOR AND CITY COUNCIL

Mayor Meehan issued a proclamation designating April as Fair Housing Month. Present to accept this proclamation was Ocean City Development Corporation Director Glenn Irwin and Bob Givarz. Mayor Meehan honored the memory of Tom Davis who was an advocate for Fair Housing.

SPECIAL EVENT PERMIT REQUESTS

Special Events Director John Sullivan presented the following for approval:

- A. **Delmarva ESA Surf Series '09.** [This request was postponed until May 4, 2009]
- B. **Knights of Columbus Procession**, Saturday, May 16, 2009, from 2:30 p.m. to 2:50 p.m., and, from 4:25 p.m. to 4:45 p.m., between the Princess Royal Hotel and St. Luke's Church. Present for questions was John Trainor of the Maryland State Council of the Knights of Columbus. **Council Member Mary Knight moved to approve; seconded by Council Member Jim Hall. The vote was unanimous.**
- C. **Showell Elementary School First Grade Boardwalk Walk**, on Tuesday, May 12, 2009. Present for questions was Robin Wolinski of Showell Elementary School. **Council Member Jim Hall moved to approve; seconded by Council Member Mary Knight. The vote was unanimous.**
- D. **Seaside Christian Academy Bike-A-Thon**, on Wednesday, May 13, 2009, from 1:00 p.m. to 2:00 p.m., starting at 27th Street. **Council Member Doug Cymek moved to approve; seconded by Council Member Jim Hall. The vote was unanimous.**

NEW BUSINESS

- A. Brad Hoffman gave an update on the events for Beachfest 2009, and requested permission to move the surfing event to the 37th-35th Street beach. **Council Member Mary Knight moved to approve; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

- B. Jake Robinson, President of Seaboard Media, LLC gave a presentation on his marine advertising vessel and services.
- C. Sharyn Buckley requested permission to serve alcohol at Fiesta Park for a Wedding Rehearsal Picnic. City Solicitor Guy Ayres advised that the Council is empowered to approve or deny this request **Council Secretary Lloyd Martin moved to allow beer and wine to be served at this event; seconded by Council Member Jim Hall. The vote was unanimous.**

REPORTS AND RECOMMENDATIONS FROM THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Zoning Administrator Blaine Smith presented a Conditional Use Request and the Planning Commission's Finding of Fact (see Attachment B) to permit the expansion of an existing arcade building and allow the addition of an 18-hole miniature golf course. Present for questions was applicant Nolan Graves for Golf Ventures, LLC. **Council Secretary Lloyd Martin moved to accept the Planning Commission's Finding of Fact and approve the Conditional Use Request; seconded by Council Member Jim Hall. The vote was unanimous.**

ITEMS REFERRED TO AND PRESENTATIONS FROM THE CITY SOLICITOR

City Solicitor Guy Ayres presented the following for approval:

- A. Second Reading of Ordinance 2009-5, amending Chapter 110, entitled *Zoning*, to clarify the height limits from 3rd to 15th Streets. **Council Member Mary Knight moved to approve the Second Reading of Ordinance 2009-5; seconded by Council Secretary Lloyd Martin. The vote was 6-1 with Council Member Joe Hall opposed.**
- B. Second Reading of Ordinance 2009-6, amending Chapter 110, entitled *Zoning*, to allow small wind energy systems. **Council Secretary Lloyd Martin moved to approve the Second Reading of Ordinance 2009-6; seconded by Council Member Joe Hall. The vote was unanimous.**
- C. First Reading of Ordinance 2009-7, amending Chapter 110, entitled *Zoning*, establishing Boardwalk Outdoor Display Guidelines. **Council Member Doug Cymek moved to approve the First Reading of Ordinance 2009-7 with a change to allow a display area of 20% of the total pad, and, require a posted approved site plan on the business' interior wall; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**
- D. First Reading of Ordinance 2009-8, amending Chapter 110, entitled *Zoning*, establishing the Downtown Development Incentives. **Council Secretary Lloyd Martin moved to approve the First Reading of Ordinance 2009-8; seconded by Council Member Mary Knight. The vote was unanimous.**
- E. First Reading of Ordinance 2009-9 to sell surplus municipal property at the public auction schedule for May 16, 2009. **Council Secretary Lloyd Martin moved to approve the First Reading of Ordinance 2009-9; seconded by Council Member Mary Knight. The vote was unanimous.**

- F. First Reading of Ordinance 2009-10, amending Chapter 90, entitled *Vehicles and Traffic*, changing the hours for bicycles permitted on the Boardwalk from 6:00 a.m. to 11:00 a.m., 7-days a week. **Council Member Margaret Pillas moved to approve the First Reading of Ordinance 2009-10 and adjust the tram's running schedule; seconded by Council Secretary Lloyd Martin. The vote was three in favor with Council President Mitrecic and Council Members Jim Hall, Doug Cymek and Mary Knight opposed. The motion failed.**

Council Member Mary Knight moved to approve the First Reading of Ordinance 2009-10 with a change to allow bicycles on the boardwalk until 11:00 a.m., Monday through Friday, and 10:00 a.m., Saturday and Sunday; seconded by Council Member Doug Cymek. The vote was unanimous.

ITEMS REFERRED TO AND PRESENTATIONS FROM THE CITY MANAGER

City Manager Dennis Dare presented the FY 2010 proposed Budget (see Attachment A).

COMMENTS FROM CITIZENS

Al Wendling expressed disapproval of the allowance of kiosks and certain Somerset Street activities.

Ocean City Development Corporation Director Glenn Irwin commented on Somerset Street business activity.

COMMENTS FROM THE MAYOR AND CITY COUNCIL

Council Member Margaret Pillas asked for a work session discussion on the outcome of the Ad Hoc Medical Transportation Committee Meeting.

Also, she asked for a status on the Trailways' bus depot. Mayor Meehan advised that the Town and Trailways worked out an agreement to vacate the 2nd Street bus depot by May 29, 2009 and move it to the West Ocean City Park and Ride.

ADJOURNMENT

Council Member Jim Hall moved to adjourn at 8:17 p.m.; seconded by Council Secretary Lloyd Martin. The vote was unanimous.

April 20, 2009

TO THE CITIZENS, HONORABLE MAYOR AND CITY COUNCIL OF OCEAN CITY, I respectfully submit the proposed budget for the fiscal year 2009-2010.

The preparation of the annual budget may be the most difficult thing we do, but it is arguably the most important, for it is the budget that sets forth the blueprint of essential municipal services. As elected officials you are charged by the voters to deliver the desired services to our residents and visitors. Your responsibilities include public safety, infrastructure, planning, recreation and economic vitality. The budget establishes the degree to which these services will be provided, and it is an honor to propose a budget that is focused on the importance of these provisions and conservatively charts our course for the coming year.

This budget recognizes that we are in a time of economic uncertainty on a local, national and global scale. As severe as the fiscal challenges have been, they are further compounded by the affect of the reassessment of real property in Ocean City. The tri-annual assessment by the state resulted in residential real property being decreased 15.5% while commercial assessments increased 17% for an overall reduction in assessments of 12.2% or \$1.1 billion. This decrease in assessments equates to a reduction of \$4.2 million in tax revenue. Increases are phased in over three years but decreases are fully allotted in the first year; therefore, this budget reflects the entire impact. There is little new construction in progress or being planned in comparison to the recent past to offset the decline.

Realizing the impact of the global economy and devaluation of real property, we moved quickly in the current fiscal year to reduce spending. A hiring freeze was adopted in September and, in October, over 70 cost savings were approved and implemented to save several million dollars in FY-2009. These reoccurring cost saving measures are again included in the FY-2010 budget. The budget recognizes the current 26 employee vacancies and does not fund salaries or benefits for them. It is recommended that the current hiring practice remain and only operationally imperative positions be filled as we continue to "right size" the town's work force. We continue to shift employees between departments to better utilize our resources. We will continue to evaluate the services provided to reduce and eliminate all that are not essential to our mission.

We must balance the "right sizing" of services with the expectation of our visitors and residents. They expect the same degree of service even during this period of fiscal stress. The beach, boardwalk and streets need to be clean and in good repair. Our public safety responses need to be immediate. This budget allows us to minimally maintain that level of service and meet our obligations.

The commitment of gross room revenue to the advertising budget increases from 1.6% to 1.8% in January 2010. This increase results in an increase of \$280,000 in the city advertising budget. In this economy, it is imperative to aggressively fight for our market share, and this budget will accomplish that goal. The increased advertising campaign last season resulted in Ocean City having a better season than other destinations. With a fresh new advertising campaign about to begin, and an all new tourism web site ready to open, Ocean City is doing all it can to overcome the economic effect on our industry.

This budget asks a lot of our employees. They will absorb the workload of the 26 vacancies and those that may be forthcoming in this fiscal year. They will not receive a Cost of Living Adjustment even though many essentials continue to rise in cost. They will not receive any longevity step increases to recognize their experience and dedication. They will see their co-share of the medical insurance increase in cost. Our Part-Time Seasonal employees are coming back at last year's rates and without any step increase. There will be no incentive bonuses for working the entire season, and all nighttime differentials have been eliminated.

The budget includes labor contract concessions made to the Town by the Fraternal Order of Police and the International Association of Fire Fighters. These concessions are significant and completely voluntarily, and the Town owes them a great deal of gratitude.

Solid Waste is funded at the new level of service, which incorporates once a week pick-up in the off-season. Transportation incorporates the changes made this winter. We need to re-evaluate bus service after the summer season for further reductions in off-season operations.

Capital Improvements designed last year remain on the shelf waiting for funding. St. Louis Ave. reconstruction, downtown's Bayside Park and the environmentally friendly Caroline Street Public Restrooms are "shovel ready". Our street paving money has been exhausted. This budget does not fund any Capital Improvements, but we are ready to move forward should funding become available.

Both the Water and Waste Water Funds have balanced the revenue and expenditures and the rates for both will remain the same for fiscal year 2010. Good planning and management of these utilities will allow our citizens a savings from any rate increases.

The assessed valuation of real property in Ocean City has decreased \$1.12 billion from \$11.78 billion to \$10.66 billion. Therefore, the Constant Yield Tax Rate would require the current tax rate of \$0.38 to be raised to \$0.432 to produce the same \$46.00 million in revenue. The tax rate required to fund the \$79.75 million proposed General Fund budget is \$0.41 or 5% below Constant Yield. This is a decrease of \$3.7 million or 4.4% from last year.

The FY10 Budget recognizes that we must continue to streamline costs without sacrificing services thereby presenting complex challenges and difficult decisions. I want to thank the department heads, their staff, and employees for their creative cost cutting suggestions and for understanding the necessity of concessions during this uncertain economic environment. Special recognition goes to Budget Manager Jennie Knapp for her untiring efforts to prepare a responsible, comprehensive budget for your consideration.

I look forward to working as a team with the Mayor, City Council, and the Citizens of Ocean City in the coming weeks to review and adopt the Fiscal Year 2010 Budget.

Respectfully Submitted,

Dennis W. Dare
City Manager

Attachment B

FINDING OF FACT

RE: #07-12100002 – CONDITIONAL USE FOR EXPANSION OF EXISTING ARCADE AND ADDITION OF 18 HOLE MINIATURE GOLF COURSE TO BE LOCATED AT 107 – 146TH STREET

Upon a motion made by Peck Miller, and seconded by Tom Singman, and carried by a vote of six (6) to zero (0), the Planning and Zoning Commission hereby recommends approval for the miniature golf course in the above referenced case for the following reasons:

1. Population Change:

The proposed uses will have no impact on population levels. There are no residential dwelling units involved in the project.

2. Availability of Public Facilities:

All public facilities are available to the site.

3. Present and Future Transportation Patterns:

Vehicular access to the site is provided from 145th and 146th Streets. On site parking has been arranged with no access directly onto Coastal Highway. There is adequate queuing at the intersections of 145th and 146th Streets for the anticipated traffic generation from the miniature golf course and expanded arcade. Therefore, the present and future transportation patterns would not be affected by the proposed use.

4. Compatibility with Existing and Proposed Development for the Area:

The Commission found the block is commercial with the proposed location being surrounded by commercial activity including parking and a banking facility. The property to the north is currently a motel and miniature golf course which is subject to redevelopment. The property to the south owned by the Catholic church is undeveloped and applicant made a statement that he thought the property would remain as part of the church function. To the west, across Sinepuxent Avenue is improved with multi-family residential. It is anticipated that the miniature golf course would not have an adverse effect on the existing or future development of the neighborhood.

5. Relationship to the Comprehensive Plan:

The comprehensive plan encourages this type of recreational amenity for residents and tourists.

Therefore, by virtue of the requirements of Section 110-122 of the Code of Ocean

City, Maryland, the above findings require that the Planning and Zoning Commission recommend approval for the addition of an 18-hole miniature golf course and expansion of the existing arcade subject to the following conditions:

1. For safety and security purposes, applicant may erect a fence greater than 42" in height around the outdoor play area within the 10-foot front yard setback adjacent to Sinepuxent Avenue and 145th Street provided the fence is set back 2-1/2 feet from the widened sidewalk and not to exceed 6'-0" in height.
2. The mature trees currently on the site shall be retained or replaced with equivalent plant material.
3. Comply with conditions of approval in Case No. 06-12100001, conditional use for an 18-hole miniature golf course, as follows:
 - A. Final site plan approval by the Planning and Zoning necessary prior to issuance of a building permit.
 - B. The sidewalks shall be widened where possible adjacent to 146th Street and Coastal Highway. It is recommended that the applicant work with the City Engineer to determine if it is appropriate to locate a portion of the widened sidewalk in the 146th Street right of way. The Mayor and City Council are to be advised of final determination.
 - C. The hours of operation shall be from 9:00 a.m. to 12:30 a.m., with the last admission for play at 11:00 p.m.
 - D. It is requested that racks be provided on site for the temporary storage of bicycles.
 - E. Alternative energy sources should be explored and provided where possible, i.e. solar lighting.
1. Comply with conditions of approval in Case No. 06-12100003, conditional use for family amusement center/arcade, as follows:
 - A. Final site plan, including proposed architectural enhancement of the existing warehouse building, shall be approved by the Planning and Zoning Commission prior to issuance of a building permit.
 - B. A delineated pedestrian walkway shall be provided between the miniature golf course and the family amusement center/arcade.
 - C. The hours of operation shall be the same as the miniature golf course from 9:00 a.m. to 12:30 a.m.

- D. At least one (1) supervisory employee, twenty-one (21) years of age or older, shall be on duty during all business hours.
- E. Applicant shall not use any outdoor music or other amplified sounds or display any flashing or moving lights.
- F. The family amusement center building shall be soundproofed to keep noise within the building.

Pam Greer Buckley

John Staley

Tom Singman

Peck Miller

Lauren Taylor

Joel Brous