



February 24, 2009  
Work Session  
Mayor and Council  
Town of Ocean City, Maryland

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, Acting City Solicitor Mark Cropper, Assistant to City Manager Kathy Mathias, City Engineer Terry McGean, Tourism/Convention Center Director Mike Noah, Public Works Director Hal Adkins, Public Works Project Manager Dick Malone, Airport Manager George Goodrow, Emergency Services Director Joe Theobald, Fire Marshal Sam Villani, Planning and Community Development Director Jesse Houston, Deputy City Clerk Kelly Allmond, Members of the Press and Interested Parties.

Council President Joe Mitrecic called this work session to order at 12:01 p.m., then, **Council Member Mary Knight 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) consider the acquisition of real property for a public purpose and matters directly related thereto; (3) consult with counsel to obtain legal advice, and; (4) 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; seconded by Council Member Jim Hall. The vote was unanimous.**

Council President Joe Mitrecic reconvened this open meeting at 1:22 p.m.. He reported that personnel, legal and real estate 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, Acting City Solicitor Mark Cropper, Assistant to City Manager Kathy Mathias, Public Works Director Hal Adkins, City Engineer Terry McGean, Public Works Project Manager Dick Malone and Public Works Solid Waste Superintendent Woodrow Shockley. **Council Secretary Lloyd Martin moved to adjourn the Closed Session; seconded by Council Member Mary Knight. The vote was unanimous.**

1. In accordance with the Town's Employee Recognition Program, Ocean City Police Chief Bernadette DiPino introduced Public Safety Aide Chelsea LeRoy and Animal Control Officer Barbara Wisniewski.
2. Bid Opening: **South Ocean Drive and Northside Park Site Concrete Work (FY09 Budget Allocation = \$56,000.00)**

Bidder	Total Bid
Maryland Paving & Sealant, Inc.	\$34,230.00
Gilbert Foreman Construction	\$21,845.00
Barlow Concrete	\$29,944.00
Nations Contracting	\$61,545.00

**Council Member Jim Hall moved to accept the apparent low bid from Gilbert Foreman Construction with remand to Staff for review; seconded by Council Member Mary Knight. The vote was unanimous.**

3. City Engineer Terry McGean, accompanied by the Gary McGuigan of the Maryland Stadium Authority and Tourism/Convention Center Director Mike Noah , presented options for future improvements to the Convention Center (see Attachment A). Mr. McGean reported that the Maryland Stadium Authority Board voted unanimously to contribute 50% in State funding for any new space being created under Option A or B, up to \$4.1 Million.

He advised that **Option A**, which is the Staff's recommendation, encloses and expands the existing back deck to create a new bay-view exhibit hall with twenty thousand square feet of lease-able space. Option A, he continued, will enable the conversion of a portion of the existing ballroom into a fixed seat auditorium while maintaining a full twenty thousand square feet of upstairs exhibit space in a single room.

<b>Option A</b> without auditorium Cost: (Estimated Annual Economic Impact is \$23.6 Million)	\$8,200,000.00	Estimated Project Cost
	<u>(\$4,100,000.00)</u>	<u>State Funding</u>
	\$4,100,000.00	Town Expenditure
<b>Option A</b> plus the 1200 seat auditorium	\$4,100,000.00	Town Expenditure for Option A
	<u>\$1,600,000.00</u>	<u>Town Expenditure for auditorium</u>
	\$5,700,000.00	Town Expenditure
		(Economic Impact not stated)

**Option B** encloses the existing back deck to create a bay-view exhibit/ballroom with approximately eight thousand square feet of lease-able space. He advised that the estimated costs to the Town are as follows:

<b>Option B</b> (Estimated Annual Economic Impact is \$7.3 Million)	\$3,600,000.00	Estimated Project Cost
	<u>(\$1,800,000.00)</u>	<u>State funding</u>
	\$1,800,000.00	Town Expenditure

**Option C** uses food tax revenue for existing, known and planned small scale improvements, repairs and design of Option A improvements

Mr. McGuigan stated that, bonding authority is still required and subject to approval by the Legislative Policy Committee and the Board of Public Works. **Council Member Jim Hall moved to proceed with Option C; seconded by Council Member Margaret Pillas.** [This motion was later withdrawn.]

Local Business Owner Leighton Moore stated his support for Option A with the fixed seat auditorium (a performing arts center). He suggested that a reduction of the food tax from 1% to ½% will provide adequate funding to pay off the bond debt in ten years. Finance Administrator Martha Lucey confirmed that, with a ½% food tax, the bonds can be paid off in ten years.

The following individuals also voiced support for Option A: Frank Underwood, President of the Maryland State Fireman's Association, and, Local Business Owners Peck Miller, Adam Showell, Palmer Gillis, William Gibbs, Chris Shanahan, John Fager and Al Wendling. Citizen Ellie Diegelmann voiced concerns about the expansion.

City Engineer McGean stated that the Stadium Authority will assume 50% of the projected annual operating deficit of \$167,000.00. He said that studies have projected that \$372,000.00 of new tax revenue will be generated by this expansion. He summarized that the additional money raised by the new tax revenue will more than cover the operating deficit.

**Council Member Mary Knight moved to proceed with Option A with the fixed seat auditorium, and, to support a ½% reduction to the food tax; seconded by Council Member Doug Cymek. The vote was 5-2 with Council Member Joe Hall and Margaret Pillas opposed.**

4. Representatives from the State Highway Administration (SHA) reviewed their recommendation for future improvements to the Route 50 Bridge. Jamaica Kennon of the State Highway Administration advised that they will issue a recommendation for Alternate 4 Modified and, to keep the Harry Kelley bridge in place. She also advised that there is no funding to build the bridge at this time.

[After hearing a presentation on potential displaced property issues], Council Member Doug Cymek moved to call for the vote; seconded by Council Member Mary Knight. The vote was unanimous. Council Member Joe Hall moved to support the SHA's recommendation for Alternate 4 Modified with removal of draw span on the existing bridge; seconded by Council Member Mary Knight. The vote was 5-2 with Council Member Jim Hall and Council Member Margaret Pillas opposed.

5. Public Works Director Hal Adkins, accompanied by Airport Manager George Goodrow, requested permission to accept a \$39,100.00 matching grant from the Maryland Aviation Authority for the installation of a Pilot Assisted Path Indicator (P.A.P.I.) on runway 2/20 at the Airport. He advised that, with the assistance of Budget Analyst Jennie Knapp, the Airport's budget will cover all but \$2,200.00 of the 50/50 match. He requested a \$2,200.00 appropriation from the General Fund. **Council Member Mary Knight moved to approve; seconded by Council Member Doug Cymek. The vote was 5-0 with Council President Joe Mitrecic absent, and Council Member Jim Hall out of the room**

6. [The recommendation of award for the Beach Equipment Rental Franchise was postponed.]
7. Emergency Services Director Joe Theobald requested permission to purchase a Mobile Emergency AM Broadcast System, in the amount of \$28,435.00, funded by the FY08 Homeland Security Grant. **Council Member Mary Knight moved to approve; seconded by Council Member Joe Hall. The vote was 5-0 with Council President Joe Mitrecic absent, and Council Member Jim Hall out of the room.**
8. Ocean City Development Corporation Director Glenn Irwin presented the Community Legacy Plan and requested the Mayor and Council's endorsement. **Council Member Mary Knight moved to endorse the Community Legacy Plan; seconded by Council Member Joe Hall. The vote was 5-0 with Council President Joe Mitrecic absent and Council Member Jim Hall out of the room.**
9. Fire Marshal Sam Villani, accompanied by Deputy Fire Marshal Dave Hartley, reported on the large number of frozen pipe and sprinkler activation responses over the winter months. Mayor Meehan asked Fire Marshal Villani to look into measures to deter negligence that contributed to the majority of incidences.
10. Council Secretary Lloyd Martin reported on the Police Commission Meeting held on January 29, 2009 (see Attachment B).

**Council Member Mary Knight moved to adjourn at 4:15 p.m.; seconded by Council Member Doug Cymek. The vote was 6-0 with Council President Joe Mitrecic absent.**

ATTACHMENT A

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MEMORANDUM

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DATE: 2/18/2009  
TO: DENNIS DARE  
CC: MIKE NOAH  
FROM: TERENCE MCGEAN  
RE: CONVENTION CENTER IMPROVEMENTS

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During the previous discussion with the Mayor and Council regarding proposed improvements to the Convention Center, a number of issues arose as follows:

1. Concern from building users regarding the loss of a portion of the Ballroom to fixed seating.
2. Concern regarding the accuracy of the cost estimates prepared in house.
3. Desire for better clarity regarding possible state funding.

Discussions with some of the larger users of the ballroom revealed that if we just replaced the space lost to converting that portion of the ballroom to fixed seating, although we would have no net loss of space, the new exhibit spaces would be split between two rooms which makes them unusable for some of the larger groups. It also reduces the attraction of a single large exhibit hall to draw attendees upstairs.

Based on these concerns and a survey of building users regarding the use of the ballroom, City and Stadium Authority staff worked with the economic consultant, cost estimator and architect to develop and evaluate two design alternatives.

The first alternative (option A) not only encloses the existing bayfront deck but expands the deck to the west and south. This creates a total of 20,000 sf of new exhibit/ballroom space. This is virtually equivalent to the size of the entire existing ballroom. This alternative allows conversion of the west side of the existing ballroom to a fixed seat auditorium while maintaining 20,000 sf of exhibit space in a single room. This scenario fulfills the desire to create a fixed seat auditorium in Ocean City and provides significant new exhibit space in the building itself which would help to attract more events and maintain existing business. It would significantly delay any need for a more major expansion.

The second alternative (option B) only encloses the existing back deck creating 8,000 sf of new bayfront exhibit/ballroom space. Under this scenario, creation of a fixed seat auditorium would have to be delayed until a future, more major expansion of the convention center. This option is much less expensive and does provide new, very attractive rentable space. However it will not significantly address the need for a larger expansion in the future nor provide a space useable for performing arts type events.

2/18/2009

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MEMORANDUM: CONVENTION CENTER IMPROVEMENTS

Mayor Meehan and I will be meeting with the Stadium Authority Board on Thursday, February 19. Therefore, the official position of the Stadium Authority regarding these improvements is not available at this time. The Authority's position will be known by the February 24 council meeting and a representative from the Authority will be at the Council Meeting.

Depending on the outcome of the Stadium Authority Meeting, I have prepared a table that presents three options for the consideration of the Mayor and Council. Each option shows initial cost, annual costs and anticipated revenue and also shows an ASSUMED city cost share. Options A&B are as discussed above. You can see that although the larger addition (Option A) costs more, it's economic impacts are substantially higher than the smaller expansion. Previous discussions with the Stadium Authority have indicated that they will not be able to share in the costs of the auditorium because this is not new space.

Option C simply uses food tax revenue to fund known upcoming capital projects at the convention center that would normally be funded over time from the general fund. It also includes money for design of the Option A Improvements. I envision option C as a stop gap measure to maintain the food tax for one year to allow the State and Council more time to make a final decision regarding the future funding of Convention Center improvements.

I have recently had discussions with our energy consultant regarding the conversion of Hall A/B to gas heat. He recommends applying for a loan or grant from the Maryland Energy Administration for this work which I will pursue. Therefore, I have removed funding for that project from the chart.

The economic and fiscal impact of converting the west side of the ballroom to a fixed seat auditorium is NOT included in this analysis because it was not possible to predict in the time available. Therefore the new tax revenues and economic impact numbers for Option A are likely understated.

The size and number of seats in the auditorium was reduced from 1,700 to 1,200. This was done primarily to minimize the amount of additional walls and door relocations required for the conversion and to keep the cost within original projections while providing a higher degree of interior finish than previously estimated. By way of comparison, the Sandler Center in Virginia Beach seats 1,300.

I look forward to discussing these options with the Mayor and Council on February 24.

ATTACHMENT B

POLICE COMMISSION MEETING MINUTES  
OPEN SESSION  
January 29, 2009 3:00 P.M.

Present: City Manager Dennis Dare, Chief Bernadette DiPino, Mayor Richard Meehan, Chairman Lloyd Martin, Councilman Douglas Cymek, City Engineer Terry McGean, Lt. Richard Currence

Not Present: Councilman Jim Hall

Presentation to Officer Jann Jones – 25 year Service Award

1. Review of the minutes of January 9, 2009 Police Commission Open Session Minutes – approved unanimously, motion made by Mayor Meehan and seconded by Councilman Cymek.

2. Taxi Issues

- A. Appeal of Taxi Driver License – Meghan McManus

The Police Commission voted to grant to Meghan McManus if she maintains a clean driving record with no new violations through April 9, 2009, a taxi driver's license. Approved unanimously, motion made by Councilman Cymek and seconded by Mayor Meehan.

3. Traffic and Parking Commission Matters

- A. Recommendations from City Engineer on Personal Storage Devices (POD) are as follows:

Treat PODs the same as dumpsters and require a Construction Staging Permit with the same restrictions and the new \$50 fee. The POD has to have proper reflectors and must be placed in a legal parking space in front of the applicant's property. The applicant must have a valid building permit and the POD can only be in the street for the length of construction. This will prevent someone using a POD on the street for long term storage. We will also stipulate that the POD must be removed in advance of a potential flood event upon the direction of the Engineering Dept.

The Police Commission voted to ban POD storage during the season (same as city ordinance regarding boat trailers), must have valid building permit, certificate of insurance, and \$50 permit fee. Approved unanimously, motion made by Councilman Mayor Meehan and seconded by Councilman Cymek.

- B. Request to move entrance to Ocean Pines Beach lot from 50<sup>th</sup> St. to 49<sup>th</sup> St. - City Engineer Terry McGean:

Last year, during construction of the Gateway project, I received a request from the Viking II Condominium on 50th Street to shift the entrance to the Ocean Pines beach lot from 50th Street to 49th Street. They also requested that we shift the parking spaces on 50th street from the North side of the Street to the South side of the street. I contact Ocean Pines and they were non-committal but asked that we not do anything until sometime after the season. Later in the year, I received a request from the Viking I condominium that we NOT shift the parking to the South side of 50th Street. Given the fact that the Gateway frontage on 49th street is primarily "back of the house", I can see the merit to moving the beach lot entrance to this location. However, I can also see the downside that Ocean Pines beach goers will be tempted to cut through the Gateway lot to enter and exit at the signal on 48th Street. Before I pursue the matter any further, I would like to bring this before the Traffic Commission to get their thoughts and any input from the Police Department. In terms of parking spaces, flipping the spaces on 50th will gain 2 spaces plus change an additional 2 from time restricted to unrestricted. Flipping parking on 49th from the north to the south (which would be required if we move the OP entrance to 49th street) will result in the loss of 3 spaces.

The Police Commission discussed various options. One of which was to place a "Do Not Enter" sign at the entrance of the Gateway on 49<sup>th</sup> St. to alleviate the vehicles using the Gateway lot to exit at the 48<sup>th</sup> St. signal.

City Engineer Terry McGean will send a letter to the Ocean Pines Association. Mr. McGean will report back to the Police Commission on the outcome.

4. False Alarm Hearings
  - A. Crab Bag – 13005 Coastal Highway  
The Police Commission voted unanimously, to deny the request to forgive the \$100 false alarm fine, a motion made by Councilman Mayor Meehan and seconded by Councilman Cymek.
5. Budget Reports
6. Review of General Orders
7. New Business
8. Old Business