



March 15, 2011  
Work Session  
Mayor and Council  
Town of Ocean City

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In attendance: Mayor Rick Meehan, Council Secretary Lloyd Martin, Council Members Margaret Pillas, Mary Knight, Doug Cymek, Joe Hall and Brent Ashley, City Manager Dennis Dare, City Solicitor Guy Ayres, City Clerk Kathleen Mathias, Environmental Engineer Gail Blazer, Tourism Director Debbie Turk, Parks and Recreation Director Tom Shuster, Public Works Director Hal Adkins, City Engineer Terry McGean, Ocean City Police Chief Bernadette DiPino, Members of the Press and Interested Parties.

Council Secretary Lloyd Martin called this Work Session to order at 12:00 p.m., in the Council Chambers of City Hall, 301 Baltimore Avenue, Ocean City, Maryland 21842; then, **Council Member Cymek moved to convene into closed session to: (1) consult with counsel to obtain legal advice; (2) 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; (3) conduct collective bargaining negotiations or consider matters that relate to the negotiations; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.**

1. Council Secretary Lloyd Martin re-opened the meeting at 1:00 p.m. and reported that legal, personnel and collective bargaining matters were discussed in the closed meeting. Persons present were Mayor Rick Meehan, Council Secretary Lloyd Martin, Council Members Margaret Pillas, Mary Knight, Doug Cymek, Joe Hall and Brent Ashley, City Manager Dennis Dare, City Solicitor Guy Ayres, City Clerk Kathleen Mathias, Tonja Sas, Stephen Silvestri of Miles & Stockbridge PC and Public Works Director Hal Adkins.

**Council Member Ashley moved to appoint Tonja Sas to the Noise Control Board; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.**  
Mayor Meehan issued the Oath of Office to Tonja Sas.

**Council Member Cymek moved to appoint Planning and Community Development Director Jesse Houston to the Coastal Bay Resources Association; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.**

2. Update from Ocean City Development Corporation – presented by Ocean City Development Corporation’s Director Glenn Irwin, and President Todd Ferrante.

Mr.(s) Ferrante and Irwin gave a presentation on their current façade program, recent land acquisitions, green initiatives, marketing initiatives, the Community Incentive Tax Credit program, special events at Sunset Park and upcoming downtown projects. Council Member Pillas suggested putting their promotional video on the Town’s website. Additionally, they requested approval for the following:

- (1.) lease of public right of way space at 8 Somerset Street for bicycle rental use

- (2.) lease of public right of way space at 6 Somerset Street for Segway mobility scooters and a new rental use of beach wheelchairs
- (3.) use of lease payments to be applied towards special events on Somerset Plaza this summer
- (4.) use of public right of way space at 4 Somerset Street for tables and chairs
- (5.) public use of chess set on Somerset Plaza
- (6.) Downtown Outdoor Displays Standards Fee
- (7.) revise downtown off the Boardwalk outdoor display permit to 100

**Council Member Cymek moved to approve (1) the leases of public right of way space for a bicycle rental shop, a Segway mobility and beach chair rentals shop (may display up to 20), a life-size chess set, (2) the allocation of lease revenue to Somerset Street special events, (3) lower the Outdoor Display fees from \$250.00 to \$100.00, and, (4) ask Staff to review the proposed outdoor display standards; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.**

3. Presentation on Stormwater Utility Study – presented by Environmental Engineer Gail Blazer and Joanne Throwe, Director of the Environmental Finance Center at University of Maryland, College Park.

Director Throwe explained that the Stormwater Utility Study addresses flooding, water pollution and the aging stormwater conveyance system. The study also reveals the need for all Towns to establish a dedicated revenue stream for improvements and maintenance. City Engineer McGean and Public Works Director Adkins affirmed that the Town's current drainage system is in critical condition.

4. Discussion of Golf Co-Op Marketing (see Attachment A) – presented by Tourism Director Debbie Turk

**Council Member Knight moved to accept the Marketing Plan as presented on Attachment A; seconded by Council Member Cymek. The vote was 3-3 with Council Members Pillas, Ashley and Hall opposed and Council President Hall absent.** The motion failed.

5. Report on proposed private event fees<sup>1</sup> – presented by Parks and Recreation Director Tom Shuster

- 1) *Increase the Private Event Application Fee for Non Profit (NP) groups from \$15.00 to \$25.00. **Council Member Knight moved to approve; seconded by Council Member Pillas. The vote was 6-0 with Council President Jim Hall absent.***
- 2) *Increase the Private Event Application Fee for For Profit (FP) promoters from \$35.00 to \$100.00. **Council Member Cymek moved to approve; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.***

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<sup>1</sup> Ocean City Private Event Fees, *Suggested Options*, page 42 of the March 15, 2011 Work Session Agenda

- 3) *Increase the Private Event One-Year Date Hold Fee from \$15.00 to \$40.00 for FP, with no increase for NP, and do not apply either Date Hold fee to the following year's application. **Council Member Cymek moved to approve; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.***
- 4) *Create a 3-Year Event Approval Fee for those events that meet Council's criteria\*. For Profit promoters will pay \$100 per year for a total of \$300 and Non Profit groups will pay \$25 per year for a total of \$75. In following years, applicants seeking the third year approval must meet Council's criteria, submit an application and pay the \$100 FP or \$25 NP Application Fee. However, the Private Event Coordinator will report the third-year date and that the fee has been paid so the promoter does not have to appear before Council. Request Council place responsibility for offering 3-Year Event Approvals solely on the Private Event Coordinator, to ensure the criteria is met before it is recommend to Council. **Council Member Ashley moved to approve; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.***
- 5) *Create a Change Fee for all Private Event applicants who request a change of their requirements after their application has been submitted. Recommend FP promoters pay \$50.00 and NP groups pay \$25.00. **Council Member Knight moved to approve; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.***
- 6) *Increase the Private Event Daily Usage Fee for NP from \$15.00 to \$25.00 per day and have this fee and the \$150.00 FP fee apply per ocean block of beach use. Races/runs/walks on the beach do not require a per block charge. **Council Member Knight moved to approve; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.***
- 7) *Require that NP Groups provide annually a Letter of Proof of Non Profit Status. **Council Member Ashley moved to approve; seconded by Council Member Knight. The vote was unanimous.***
- 8) *Establish a Banner Placement Fee for NP of \$25.00 per banner. Currently, NP pay zero while FP pay \$50.00 per banner. **Council Member Knight moved to approve; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.***
- 9) *Establish a Late Submission Fee of \$100.00 for any application received within the 90 day before the event. **Council Member Knight moved to approve; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.***
- 10) *Establish a Refundable Damage/Repair Bond of \$100 be held for each major item being borrowed (generator, reviewing stand, stage, bleachers, etc.). The bond is requested for both NP and FP. **Council Member Knight moved to approve; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.***

**Council Member Knight moved to effect the changes immediately and ask City Solicitor Ayers to prepare a resolution for the next regular meeting; seconded by Council Member Pillas. The vote was unanimous.**

6. Recommendation to remove the 66<sup>th</sup> Street water tower – presented by Public Works Director Hal Adkins

**Council Member Knight moved to approve the removal and attempted sale of the 66<sup>th</sup> Street Water Tower; seconded by Council Member Joe Hall. The vote was 6-0 with Council President Jim Hall absent.**

7. Recommendations on changes to Street Performer Permits – presented by City Clerk Kathleen Mathias

**Council Member Cymek moved to ask City Solicitor Ayres to prepare, for First Reading, an ordinance adopting the proposed changes with the following modifications: (1) remove North Division Street as a designated location; (2) designate 20 performance locations (instead of the proposed 18) (3) limit back-up music to music-driven performances like singing or dance, and, (4) prohibit lighting fixtures; seconded by Council Member Knight. The vote was 5-1 with Council Member Joe Hall opposed and Jim Hall absent.**

8. Request to allow State's Attorney's Office to act as the forfeiting authority for the Town – presented by Ocean City Police Chief Bernadette DiPino

**Council Member Cymek moved to approve; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.**

9. Discussion of guidelines for non-profit lottery for Springfest and Sunfest Beer Trucks – presented by City Clerk Kathleen Mathias (see Attachment B)

**Council Member Knight moved to add one organization to the beer truck rotation; seconded by Council Member Cymek. The vote was 6-0 with Council President Jim Hall absent.**

**Council Member Knight moved to accept the proposed policy changes (see Attachment B); seconded by Council Member Ashley. The vote was 6-0 with Council President Jim Hall absent.**

**Council Member Knight moved to require that all organizations contribute a portion of their beer truck earnings to an Ocean City community charity; seconded by Council Member Ashley. The vote was 6-0 with Council President Jim Hall absent.**

10. Council Member Cymek reported on the Police Commission Meeting held on February 9, 2011 (see Attachment C).

11. City Clerk Kathy Mathias recommended approval for the transfer of Medallion #163 from Assaf Alhmod of Zig Zag Taxi, to Taha Bourgo of Academy Taxi. She advised that the \$500.00 transfer fee was paid. **Council Member Cymek moved to approve; seconded by Council Member Knight. The vote was 6-0 with Council President Jim Hall absent.**

**Council Member Pillas moved to adjourn at 5:10 p.m.; seconded by Council Member Ashley. The vote was 6-0 with Council President Jim Hall absent.**

Minutes prepared by Deputy City Clerk Kelly Allmond \_\_\_\_\_

Minutes certified by City Clerk Kathleen Mathias *Kathleen Mathias* \_\_\_\_\_

Meetings approved by the Mayor and Council on: \_\_\_\_\_

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MEMORANDUM

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**TO:** MAYOR AND CITY COUNCIL  
DENNIS DARE, CITY MANAGER  
ROBERT CROLL

**FROM:** DEBORAH TURK

**SUBJECT:** GOLF CO-OP MARKETING PLAN

**DATE:** 3/10/2011

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The following plan defines the objective, eligibility criteria for participation, methodology, and forms of advertising, disbursement requirements and a timeline. Anticipated start would be with FY12.

**Objective**

The objective of offering this inventive cooperative marketing plan is to intensify the marketing of Ocean City as a desirable golf destination by partnering with Ocean City Golf Packagers to increase related revenue to the Town of Ocean City and increased rounds booked at Eagle's Landing. The marketing dollars that the eligible packagers match will double the investment made by the Town of Ocean City resulting in extended reach, frequency and increased bookings.

**Eligibility**

In order to be eligible the following criteria must be met:

- A reputable golf packager that sells Ocean City exclusively
- Annual marketing plan pre-approval from Town of Ocean City Director of Tourism
- Must include an Eagle's Landing Package and/or prominent mention on Eagle's Landing in their advertising with a call to action

**Funding Methodology**

The \$60,000 cooperative advertising funds would be drawn from the existing budget line item for golf (\$160,000) found in the destination-advertising budget 001-4512-461.55-30. The year-end package rounds report from Ocean City Golf Getaways will be used to determine the % of funds eligibility per packager (this report is typically made available in February). For example if a packager's year end results show that they booked 30% of packaged rounds in Ocean City they would be eligible for \$20,000 in matching funds provided they meet the eligibility and disbursement requirements.

### **Acceptable Forms of Advertising**

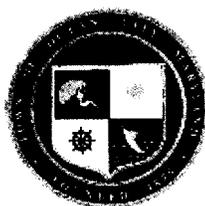
- Print
- Online
- Email blasts
- Golf Shows
- Radio
- Television

### **Disbursement Requirements**

- Annual marketing plan pre-approved by Town of Ocean City Director of Tourism
- Proof of advertising - tear sheets, affidavits, impressions served, proof of play, email stats
- Proof of performance – self-reporting, reports from Eagle’s Landing on promotion bookings, calls, click-thru rates, email deployment/open rate/bounces, site traffic reports
- Must meet packaged rounds performance % that eligibility was based on

### **Timeline**

- January – year end round reports available from OCGG
- January – eligibility % determined by performance documented in reports
- February – Annual marketing plans submitted for approval
- February – plans launched
- February-Dec – performance monitored through OCGG rounds reports
- January – disbursements made to eligible packagers



ATTACHMENT B

## MEMORANDUM

TO: Mayor and City Council

DATE: January 23, 2008

FROM: Kathleen Mathias  
Assistant to City Manager

SUBJECT: Non-profit  
Organizations

### Report on non-profit status of organizations on Springfest and Sunfest beer truck rotation

I have performed an audit of the 45 organizations that are currently listed on the rotation for beer trucks and report the following:

501 (c) (3) – 24 organizations

501 (c) (4) – 7 organizations

501 (c) (7) – 2 organizations

501 (c) (8) – 5 organizations

501(c) (10) – 3 organizations

501 (c) (19) – 4 organizations

Since some of these organizations fall under different sections of the IRS code, I reviewed the sections of the code that apply to each organization and provide the following for your review. The majority of the organizations are 501 (c) (3) organizations and a definition is listed below:

Definition – 501 (c) 3 – “ There are 3 components for an organization to be exempt from federal income tax under section 501 (c) (3). A not-for-profit organization must be organized and operated exclusively for one or more exempt purposes . . . IRC lists the following exempt purposes: charitable, educational, religious, scientific, literary, fostering national or international sports competition, preventing cruelty to children or animals and testing for public safety.” Donations to these organizations are tax deductible (when documentation is provided by the donor).

The remainder of the organizations fall into the following categories. There is a specific section for veterans' organizations and their auxiliaries as noted below:

501 (c) (4) – Social Welfare Organizations – “Prior to the enactment of IRC 501 (c) (19) veterans' organizations were generally recognized as tax exempt under IRC 501 (c) (4) because their primary activities promoted the social welfare of the community. There are no membership requirements under 501 (c) (4). Exemption is based solely on the type of activities conducted. Although there are some qualifications, donations to these organizations are tax deductible.

501 (c) (7) – Social Clubs – “Veterans' organizations whose activities are recreational, such as operating a bar, restaurant, canteen or casino for members, may be recognized as tax exempt under IRC 501 (c) (7). These clubs are often operating in conjunction with 501 (c) (4) veterans' organizations. Social clubs may have different categories of members and are not required to have a specific percentage of veteran members. Contributions to social clubs (dues and assessments) are not deductible, however, some of their charitable pursuits are deductible.

501 (c) (8) and 501 (c) (10) – Fraternal Organizations – the members must share common ties and come together to pursue common goals. 501 (c) (8) operate under a lodge system and provide for the payment of life, sick, accident or other benefits to its members. Operating under a lodge systems means carrying on activities under a form of organization that is comprised of local branches chartered by a parent organization. The local branches are called lodges or chapters and must be separately organized and self-governing. 501 (c) (10) is the same except that it does not provide benefits to its members. The net earnings of 501 (c) (10) must be devoted to charitable, religious, scientific, literary, educational or fraternal purposes. Contributions are deductible for these purposes.

501 (c) (19) – An organization must be either a post or organization of past or present members of the United States Armed Forces; an auxiliary unit or society of such post organization; or a trust or foundation for such post or organization. Contributions are deductible for charitable, religious, scientific, literary, or educational purposes.

You will note that all of the organizations listed in these categories qualify for all or portions of their contributions to be tax deductible. There is one exception. Of the two organizations that are 501 (c) (7) one of them has a specific notation on their tax-exempt certificate indicating that contributions to that organization are not deductible. This organization is the Elks Lodge Ladies Auxiliary

This year we have received an application from an organization that is a non-profit organization, but is a 501 (c) (5) organization, the National Active and Retired Federal Employees Association. This is a labor organization. By definition in the IRS code it is “an association of workers who have combined to protect or promote their interests by bargaining collectively with their employers to secure better

working conditions, wages, and similar benefits. Similar benefits include benefits traditionally provided by labor organizations such as strike, lockout, death, sickness, accident, and other benefits. Labor organizations need not be recognized labor unions.” Additionally, contributions to labor, agricultural and horticultural organizations are not deductible as charitable contributions.

The Town of Ocean City Policy states that the organizations for the beer trucks be non-profit, provide a certificate of its federal exemption and be based in Ocean City. I want you to be aware of this additional request because it is different than all of the other organizations. If you should desire to make any changes to the policy, I have drafted a proposed change for your review. The additions to the beer truck rotation are scheduled for the February 19<sup>th</sup> Council Meeting.

Please feel free to contact me if you have any questions regarding this information.

Enclosures

cc: Dennis W. Dare, City Manager  
Guy R. Ayres, City Solicitor

# POLICE COMMISSION MEETING MINUTES

## OPEN SESSION

February 9, 2011 3:00 P.M.

ATTACHMENT C

Present: City Manager Dennis Dare, Chairman Lloyd Martin, Councilman Jim Hall, Chief Bernadette DiPino, State's Attorney Beau Oglesby, Captains Bokinsky, Colbert and Kirstein, Risk Management Christine Parks. Records Supervisor Michelle Monico, Cpl Regina Custer, Crime Analyst Brandon Reim.

1. Worcester County State's Attorney Beau Oglesby asked the Police Commission for a formal letter of agreement designating the State's Attorney as a designated forfeiture authority. Councilman Jim Hall made a motion and was seconded by Councilman Cymek to accept the recommendation to designate the State's Attorney as a forfeiture authority. This is not a change only a formalization of the process.
2. Minutes of January 12, 2011 Police Commission Open Session Minutes- Councilman Cymek made a motion to approve and seconded by Councilman Jim Hall.
3. Taxi Issues
  - A. Discussion of medallion owner's failure to notify OCPD of employees who leave their employment or notification of new hires. The Nite Club Taxi representative explained the circumstances for not notifying the OCPD. Chairman Martin and Council President Jim Hall stressed the importance of registering all taxi drivers, even if they are part time and on the first day of employment. This would avoid delays in the notification for random drug testing. We must keep the list current. The OCPD mailed out notification forms to the owners to update their driver lists.

Chairman Martin passed out a request from one of the taxi owners for a fare increase.
  - B. A motion was made by Councilman Hall and seconded by Councilman Cymek for Mr. Mohammed Eldwo to surrender his taxi medallion, taxi sticker and the taxi license due to Mr. Eldwo's failure to appear for drug testing. Mr. Eldwo must submit a clean drug test after April 1<sup>st</sup> along with his application for taxi license renewal.

4. False Alarm Hearings
  - A. Village Market requested a waiver of false alarm fees. Councilman Cymek made a motion and was seconded by Councilman Hall to have Village Market pay \$400 by the end of business on February 10, 2011 and if there are no false alarms for the next 90 days, the Town of Ocean City will refund \$200.
  
5. New Business
  - A. Crime Analyst Brandon Reim gave a presentation on crime stats for 2010 and a map of the "hot spots". Drug arrests increased 11% in 2010 compared to 2009. The month of June shows the highest activity for robberies. June, July and August were busy months for burglaries. In January 2010 - 81 burglaries occurred and in January 2011 only nine burglaries occurred. There was a 15.3 percent increase in the number of calls for service in 2010 compared to 2009. The number of citations (not including alcohol) increased in 2010. Alcohol citations decreased by 3.2 % in 2010.
  - B. Susan B. Komen Cancer Walk – It is projected to require 40-50 officers if the event is held using Baltimore Avenue. The OCPD recommends restricting the event to the boardwalk to reduce the significantly the number of officers needed to five.
  - C. Councilman Cymek raised the need to place six officers in the academy in July. Councilman Hall replied the salary and benefits issue should be resolved in thirty days and we could not hire anyone until these issues are resolved. Chief DiPino reiterated the need to begin hiring now to fill vacancies and anticipated future vacancies. She believes we will have to change the way the department operates and the level of service will be affected.
  - D. Sgt. Mark Paddack is to be commended for solving a large number of burglary cases.