

March 21, 2011
Regular Session #6
Mayor and Council
Town of Ocean City

Council Member Richard W. Meehan
Council President James S. Hall
Council Secretary Lloyd Martin

Council Member Margaret Pillas
Council Member Mary Knight
Council Member Doug Cymek
Council Member Joe Hall
Council Member Brent Ashley

ATTENDANCE

Mayor Rick Meehan, Council President James S. Hall, 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, Finance Administrator Martha Lucey, City Clerk Kathleen Mathias, Members of the Press and Interested Parties

CALL TO ORDER

Council President Jim Hall 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 Davis of St. Peters Lutheran Church led the prayer, and Council Member Knight led the Pledge of Allegiance.

REPORT FROM CITY MANAGER ON UPCOMING WORK SESSION

City Manager Dare reported that the following is scheduled for discussion in the upcoming work session:

1. Report from Tourism Advisory Board Concerning OC Experience - Presented by: Melanie Pusel, Chair Tourism Advisory Board
2. Presentation on Marketing Plan - Presented by: Andy Malis, MGH
3. Discussion of Planning Commission's Recommended Zoning Code Amendments - Presented by: Jesse Houston, Director of Planning and Community Development
4. Discussion of Rotating Surfing Beach Schedule - Presented by: Thomas Shuster, Director of Recreation and Parks
5. Follow-up Presentation on Pension Plan Options - Presented by: Mary Jo Gary, Mercer

APPROVAL OF MINUTES

The following minutes were approved as presented:

- A. Work Session – dated March 1, 2011
- B. Regular Session #5 – dated March 7, 2011

PRIVATE EVENT PERMIT REQUESTS

Private Events Coordinator Lisa Mitchell recommended approval for the Festivals of Music Parade on Saturday, May 14, 2011. Present for questions was Jill Leisten, Festivals of Music. **Council Member Joe Hall moved to approve; seconded by Council Secretary Martin. The vote was unanimous.**

UNFINISHED BUSINESS

Kay Moran of Bolton Partners addressed the Council for a follow-up discussion on retiree medical plan options. **Council Member Joe Hall moved to proceed with Option 3 (see Attachment A) and offer the Health Savings Account to new hires effective January 1st; seconded by Council Member Ashley. The vote was 4-3 with Council Members Cymek, Knight and Martin opposed.**

Council Member Joe Hall moved to ask City Solicitor Ayres to prepare an ordinance to eliminate retiree health care for new hires only; seconded by Council Member Ashley. The vote was 4-3 with Council Members Cymek, Knight and Martin opposed.

ITEMS REFERRED TO AND PRESENTATIONS FROM THE CITY SOLICITOR

City Solicitor Guy Ayres presented the following for approval:

- A. Second Reading – Ordinance 2011-4 to Amend Chapter 34 Entitled Fire Prevention and Protection (Smoke detectors in public areas of multi-family buildings) **Council Member Knight moved to ratify Ordinance 2011-4; seconded by Council Member Ashley. The vote was 6-0 with Council Secretary Martin out of the room.**
- B. Second Reading – Ordinance 2011-5 to Amend Chapter 34 Entitled Fire Prevention and Protection (Preventable and Non-Preventable Fire Alarms) **Council Member Joe Hall moved to ratify Ordinance 2011-5; seconded by Council Member Knight. The vote was unanimous.**
- C. Second Reading - Ordinance 2011-6 to Amend Chapter 26 Entitled Emergency Services (Repeals Division 3 – Fire Alarms) **Council Member Knight moved to ratify Ordinance 2011-6; seconded by Council Secretary Martin. The vote was unanimous.**
- D. Second Reading - Ordinance 2011-7 to Amend Chapter 30 Entitled Environment (Prohibits Smoking in Public Parks and Playground) [*Includes: Ocean Bowl Skate Park, Ocean City Tennis Center at 61st Street and Coastal Highway, all municipal Tennis Courts, and, Playground areas at Bayside Park (aka Downtown Recreation Complex), Robin Park, Little Salisbury Park, Northside Park, Gorman Park, North Surf Park.*] **Council Member Knight moved to approve; seconded by Council Member Joe Hall. The vote was 4-3 with Council Members Cymek, Martin and Ashley opposed.**
- E. Resolution 2011-3 Establishing Fees for, or Related to, Special Event Permits **Council Member Knight moved to ratify Resolution 2011-3; seconded by Council Secretary Martin. The vote was unanimous.**

ITEMS REFERRED TO AND PRESENTATIONS FROM THE CITY MANAGER

City Manager Dare requested approval to (1) solicit bids for the Northside Park Roof and, (2) allow the transfer of Taxi Medallion #121 from Taha Bourgo of Academy Taxi to Bichara Mahamat, a new independent operator who will be operating as Apple Taxi. She reported that the \$500.00 fee was paid to the town, and, there are now 141 fleet medallions and 30 independent medallions for a 17% ratio. **Council Member Joe Hall moved to approve the gym roof bid opening and the taxi medallion transfer; seconded by Council Member Ashley. The vote was unanimous.**

COMMENTS FROM CITIZENS

Council President Hall advised the forum that citizens will be able to comment on the street performer issue at the April 4th and 18th Council Meetings.

Bob Melvin spoke about the MedTran service.

CLOSED SESSION

Council Member Ashley moved to convene into closed session to (1) consult with counsel to obtain legal advice; and (2) conduct collective bargaining negotiations or consider matters that relate to the negotiations; seconded by Council Member Knight. The vote was unanimous.

REPORT ON CLOSED SESSION

Council President Hall reopened the meeting and reported that legal and collective bargaining matters were discussed in the closed meeting. Persons present were Mayor Rick Meehan, Council President James S. Hall, 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, John Gillman, Robert Bokinsky, Mike Colbert, Rick Morek, Finance Administrator Martha Lucey and Human Resource Director Wayne Evans.

COMMENTS FROM THE MAYOR AND CITY COUNCIL

None

ADJOURNMENT

Council Member Knight moved to adjourn; seconded by Council Member Pillas. The vote was 6-0 with Council Member Cymek 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: _____

ATTACHMENT A



Town of Ocean City,
Maryland

Prepared by Bolton Partners, Inc.

March 21, 2011



Review of Previous Presentations

- Alternatives were presented to reduce liabilities of retiree medical insurance
 - Employees hired after July 1, 2011 halve the employer subsidy
 - Employees hired after July 1, 2011 benefits stop at age 65
 - Increase the retirement age for public safety employees from 25 years to the later of age 50 and 25 years of service.



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STATE OF MARYLAND
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Review of Previous Presentations

- Cap employer subsidies at the current level - indexed by 3 percent
- Cease employer benefits for all employees who are not eligible to retire as of July 1, 2011 at age 65. All Wastewater employees would continue to receive their coverage
- Contribute a set dollar amount to a HSA equal to the average annual liability per employee
- Set up VEBA with Employer money



Discussion / Requests

- Council requested additional information on Soft Cap options with 3% and 5% indexing and various grandfathered levels of service.
- Council requested additional information on contributions for a Health Savings Account with a High Deductible Medical plan.



Options to Reduce Liabilities – Existing Employees

- Option 1 - Cap employer subsidies at the current level
- indexed by 3 percent
 - Grandfather those with 15 years of service
 - Grandfather those with 10 years of service
 - Grandfather those employees hires prior to July 1, 2005



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Options to Reduce Liabilities – Existing Employees

- Option 2 – Cap employer subsidies at the current level – indexed by 5 percent
 - Grandfather those with 15 years of service
 - Grandfather those with 10 years of service
 - Grandfather those employees hires prior to July 1, 2005



FY2011 Expense- Option 1

3% soft cap(Assumes change to all Active Employees)

Current Plan	\$3,516,000
Grandfathered all employees hired prior to July 1, 2005	\$3,338,000
Grandfathered all employees with 10 years of service or more	\$3,127,000
Grandfathered all employees with 15 years of service or more	\$2,790,000



FY2011 Expense – Option 2

5% soft cap(Assumes change to all Active Employees)

Current Plan	\$3,516,000
Grandfathered all employees hired prior to July 1, 2005	\$3,404,000
Grandfathered all employees with 10 years of service or more	\$3,274,000
Grandfathered all employees with 15 years of service or more	\$3,066,000



FY2011 Expense – Option 1 vs 2

(Assumes change to all **Active** Employees)

Current Plan	\$3,516,000	\$3,516,000
Grandfathered all employees hired prior to July 1, 2005	\$3,338,000 (178,000)	\$3,404,000 (112,000)
Grandfathered all employees with 10 years of service or more	\$3,127,000 (389,000)	\$3,274,000 (242,000)
Grandfathered all employees with 15 years of service or more	\$2,790,000 (726,000)	\$3,066,000 (450,000)



Options to Reduce Liabilities – New Hires/Active employees

- Option 3 - Contribute a set dollar amount to an HSA
 - \$1,500 per employee electing single coverage
 - \$3,900 per employee electing double coverage
 - \$5,000 per employee electing family coverage
 - Town contributions are offset by the premium rate difference between High Deductible plan and current PPO.
- Retiree hired after July 1, 2011 will have access to the plan once they meet the eligibility requirements of 25 years of service



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City of Baltimore
Maryland

QUESTIONS ?