



TOWN OF OCEAN CITY
301 N. BALTIMORE AVENUE
OCEAN CITY, MARYLAND 21842

APRIL 9, 2013 ✦ WORK SESSION

In attendance: Mayor Rick Meehan, Council President Lloyd Martin, Council Secretary Mary Knight, Council Members Margaret Pillas, Doug Cymek, Brent Ashley, Dennis Dare and Joe Mitrecic, City Solicitor Guy Ayres, Council Member Margaret Pillas, Public Works Director Hal Adkins, Special Events Coordinator Lisa Mitchell, Transportation Superintendent George Thornes, City Engineer Terry McGean, City Clerk Kelly Allmond, Members of the press and interested parties.

CALL TO ORDER

Council President Lloyd Martin called the meeting to order at 11:01 a.m. in the Council Chambers of City Hall located at 301 North Baltimore Avenue in Ocean City, Maryland; **Council Member Joe Mitrecic 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 before the contract is awarded or bids are opened if public disclosure would be detrimental to the competitive bidding process; and, discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation or any matter affecting one or more appointees, employees or officials over whom it has jurisdiction. The vote was unanimous.**

REPORT ON CLOSED SESSION: APRIL 9, 2013 – 11:00 A.M. – 1:00 P.M.

Council President Lloyd Martin reopened the meeting at 1:00 p.m. and reported that legal, contractual and personnel matters were discussed in closed session. Persons present were: Mayor Rick Meehan, Council President Lloyd Martin, Council Secretary Mary Knight, Council Members Doug Cymek, Brent Ashley, Dennis Dare, Margaret Pillas and Joe Mitrecic, City Solicitor Guy Ayres, Acting Chief Captain Mike Colbert, Lieutenant Elton Harmon, Public Works Director Hal Adkins, Convention Center Director Larry Noccolino, Human Resources Director Wayne Evans, Executive Office Associate Diana Chavis.

COMMENTS FROM THE PUBLIC

- Al Wendling commented on the upcoming budget hearings.
- John Adkins commented on the upcoming budget hearings.

NEW BUSINESS

- A. Bid Opening – Transit Advertising **Council Member Doug Cymek moved to acknowledge the bids from: (1) Gateway Outdoor Advertising, Inc., (2) Sayin' It Loud, and (3) Direct Media USA; seconded by Council Member Ashley. The vote was unanimous.**

- B. High Tide Music Festival Update and Request for use of the Inlet Lot presented by Tom Russell and Ken MacDonald of Founders Entertainment **Council Member Brent Ashley moved to the event with remand to Staff to negotiate the profit-sharing agreement in the Memorandum of Understanding and Inlet Parking Lot arrangements; seconded by Council Member Pillas. The vote was unanimous.**
- C. City Engineer Bid Award Recommendation for Storage Area Network Appliances and Server Equipment **Council Member Doug Cymek moved to approve the purchase of the storage area network appliance from ePlus for the amount of \$25,506.71; seconded by Council Member Ashley. The vote was unanimous.**
- D. Transportation Superintendent Request to Purchase Bus Spare Parts **Council Secretary Mary Knight moved to approve the purchase of bus spare parts for the amount of \$5,185.27; seconded by Council Member Ashley. The vote was unanimous.**
- E. Consideration of proposal to provide credit/debit card payment option for bus customers presented by the Finance Administrator **Council Secretary Mary Knight moved to accept the proposal from Electronic Transit Systems Corporation to develop a mobile application for pay-by-phone services for bus customers; seconded by Council Secretary Knight. The vote was unanimous.** Also, **Council Member Brent Ashley moved to approve the fee structure as presented; seconded by Council Secretary Knight. The vote was unanimous.**
- F. Public Works Director Discussion of Terminating Transportation Discount Coupon Booklets **Council Secretary Mary Knight moved to accept Director Adkin's recommendation to terminate the discount coupon book program; seconded by Council Member Pillas. The vote was unanimous.**
- G. Public Works Director Request to Fund AVL Hardware/Software for Bus Fleet **Council Secretary Mary Knight moved to approve the purchase of AVL services from Air-Trak for the amount of \$16,250.00 (installation) and to contract with Air-Trak for one year in the amount of \$8,732.50; seconded by Council Member Cymek. The vote was unanimous.**
- H. Public Works Director Request to allocate funds for Humane Society Building Repairs **Council Secretary Mary Knight moved to allocate up to \$60,000.00 from the FY13 Humane Society account; seconded by Council Member Cymek with remaining funds to be posted in the General Fund. The vote was 6-1 with Council Member Pillas opposed.** Council Member Margaret Pillas explained that she is only opposed to posting residual funds to the General Fund.
- I. Second Reading – Ordinance 2013-07 to Amend Chapter 30 Entitled Environment (imposes resident agent requirement as part of a plan for compliance for rental properties with noise violations) **Council Secretary Mary Knight moved to ratify Ordinance 2013-07; seconded by Council Member Ashley. The vote was unanimous.**
- J. Presentation of FY 14 Financial Operating Plan by City Manager David Recor, ICMA-CM (see Attachment A).
 - 1) **Council Secretary Mary Knight moved to implement paid parking in the City Hall and Public Safety parking lots; seconded by Council Member Cymek. The vote was unanimous.**

- 2) Council Secretary Mary Knight moved to increase the Inlet Parking Lot flat rate, for July 4th only, to \$50.00; seconded by Council Member Cymek. The vote was unanimous.
- 3) Council Secretary Mary Knight moved to continue the dialogue about alternative funding for solid waste; seconded by Council Member Mitrecic. The vote was 5-2 with Council Members Ashley and Pillas opposed.
- 4) Council Member Joe Mitrecic moved to support the Mayors letter to the State of Maryland for a stay on sequestering grant funding for the operation of the Salisbury Regional Airport air traffic control tower; seconded by Council Member Pillas. The vote was unanimous.

Mayor Meehan announced that as a result of the government sequester, the Blue Angels are unable to participate in the air show. He advised that Mr. Lilley is optimistic about Plan B.

ADJOURN

Council Member Joe Mitrecic moved to adjourn; seconded by Council Member Cymek. The vote was unanimous.



TOWN OF
OCEAN CITY

The White Marlin Capital of the World

TO: The Honorable Mayor and Members of the City Council
FROM: David L. Recor, ICMA-CM, City Manager
RE: Preliminary Town of Ocean City FY14 Financial Operating Plan
DATE: April 5, 2013

Attached for the Mayor and City Council's review and discussion on the April 9, 2013, Work Session Agenda, please find a CD containing the complete raw budget data from the Town's AS400 mainframe as prepared by Department Heads, the Budget Manager and City Manager. As of this date, the Preliminary Town of Ocean City FY14 Financial Operating Plan totals \$130,396,993 as follows:

<u>Fund</u>	<u>Budget</u>
General	\$78,272,716
Water	\$7,432,931
Wastewater	\$12,638,289
Transportation	\$9,764,890
Airport	\$1,488,873
Golf Course	\$2,145,848
Convention Center	\$6,981,045
IT	\$1,859,753
Service Center	\$5,298,117
Vehicle Trust	\$2,229,590
Risk Management	\$2,284,941
TOTAL	\$130,396,993

In the Fall of 2012, the Mayor and City Council initiated a much anticipated strategic planning process by collaborating with staff and community residents to create a 15-year Vision for the Town of Ocean City. In addition, 5-year Goals for the community were established as follows:

- 1) Financially Sound Town Government
- 2) 1st Class Resort and Tourist Destination
- 3) More Livable Community for Residents
- 4) Excellent Service Through a High Performing Town Organization
- 5) Revitalized Ocean City: Development and Redevelopment

The Town of Ocean City FY14 Financial Operating Plan attempts to recognize these 5-year Goals as well as the tentative Priorities established by the Policy and Management Agenda identified in the Strategic Planning process.

While the CD provided includes complete preliminary budget details from the Department to City Manager level, the traditional Budget Book, featuring a narrative highlighting revenue

and personnel changes, changes in Department operations as well as summary comments will be provided at the Work Session on April 9.

Department budget reviews have been scheduled with the Mayor and City Council for Thursday, April 11, Friday, April 12, Tuesday, April 16, and Wednesday, April 17. In addition, two wrap-up Work Sessions are scheduled for Thursday, April 18 and Friday, April 19.

The preliminary FY14 General Fund budget totals \$78,272,716 and is based on the Constant Yield Tax Rate of .4620 plus an additional .0244 for a total preliminary tax rate of .4864. Based on an average assessed value of \$221,000, the average tax bill would increase by \$39.56 when compared to the 2013 tax rate of .4585.

Reaching this preliminary FY14 General Fund budget figure required a great deal of collaboration and cooperation with our Departments. Together, staff reduced proposed expenditures by more than \$4.2 million dollars including \$3 million in personnel and operating expenditures in addition to \$1.2 million dollars in proposed new vehicle purchases. These expenditure reductions were equivalent to .0330 on the preliminary tax rate.

Both the FOP and IAFF bargaining unit contracts have been ratified and are scheduled to be presented to the Mayor and City Council at the Regular Session on April 15, 2013. The costs of year one of both collective bargaining agreements as well as an equivalent average salary adjustment for general employees has been included in the preliminary FY14 General Fund budget.

Other noteworthy preliminary FY14 General Fund expenditures include:

	<u>Expense</u>
Employee salary adjustments FOP, IAFF and General Employee	\$924,508
Roof replacement at the Public Safety Building and 65 th Street Garage	\$871,000
Principal & Interest – 2012 Bonds	\$796,985
Six (6) positions in Fire/EMS	\$292,462
Transfer to Airport	\$109,955
FICA on salary adjustments	\$70,725
TOTAL	\$3,015,635

In addition, "Pay As You Go" Street Paving has been reduced by \$830,000, i.e., from \$2 million to \$1,170,000.

During our initial review of the preliminary FY14 Financial Operating Plan, staff will be prepared to discuss a number of opportunities to increase revenues and/or decrease expenditures including:

- 1) Additional parking revenue
 - 2) Solid Waste funding alternatives
 - 3) Transportation service reductions
 - 4) Stormwater Utility
-

We will also be prepared to discuss the Town's Capital Improvement Plan, including the categories and value of unfunded projects, as well as the \$735,000 of unfunded "Pay as You Go" projects planned for FY14.

We look forward to working with the Mayor and City Council as we begin this dialogue. If you have any questions prior to the Work Session on April 9, please do not hesitate to contact me.

cc: Jennie Knapp, Budget Manager
Department Heads