



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

AUGUST 13, 2013 ✦ WORK SESSION

In attendance: 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, Finance Director Martha Bennett, City Engineer Terry McGean, Planning and Community Development Director Matt Margotta, Fire Chief Chris Larmore, Public Works Director Hal Adkins, Construction Superintendent Dean Dashiell, Deputy Public Works Director Jim Parsons, Public Works Deputy Director John VanFossen, Water Superintendent Bud Iman, Airport Superintendent Jaime Giandomenico, Transportation Superintendent George Thornes, Recreation and Parks Director Tom Shuster, Beach Patrol Captain Butch Arbin, City Clerk Kelly Allmond, Members of the press and interested parties. Mayor Rick Meehan was absent.

CALL TO ORDER

Council President Lloyd Martin called the meeting to order at 11:00 a.m. in the Council Chambers of City Hall located at 301 North Baltimore Avenue in Ocean City, Maryland; then, **Council Member Doug Cymek moved to convene into closed session to (1) consult with counsel to obtain legal advice, and; (2) 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; seconded by Council Member Mitrecic. The vote was 6-0 with Council Member Pillas out of the room.**

REPORT ON CLOSED SESSION - AUGUST 13, 2013 - 11:00 A.M. TO 1:00 P.M.

Council President Lloyd Martin reopened the meeting at 1:00 p.m., and reported that legal and personnel matters were discussed in closed session. Persons present were 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 and Executive Office Associate Diana Chavis. The vote to close the meeting was unanimous.

COMMENTS FROM THE PUBLIC

- Tony Christ spoke about spending related to the capital improvement plan.
- Bob Givarz and Al Wendling encouraged the Council to build a new beach patrol headquarters.

NEW BUSINESS

- A. Bid Opening - Annual Concrete Sidewalk Maintenance Contract (Budget Allocation = \$100,000; No Bid Bond Required)

The bids were from (1) Worth Construction for the amount of \$66,700, and; (2) Goody Hill Groundwork, for the amount of \$64,500. **Council Member Doug Cymek moved to acknowledge the apparent lowest bid from Goody Hill Groundwork with remand to staff for review; seconded by Council Member Mitrecic. The vote was unanimous.**

- B. City Engineer Bid Award Recommendation for Fire Station 4

Council Member Joe Mitrecic moved to award Gillis Gilkerson in the amount of \$2,692,018 (funded by a 2012 bond issue) for the Fire Station 4 Construction Project. Any savings from this project shall be used to modify the Northside Park Maintenance building which will serve as temporary housing for operations and equipment; seconded by Council Member Cymek. The vote was unanimous.

C. Planning and Community Development Director Update on New Flood Insurance Maps

Planning and Community Development Director Matt Margotta advised the Council that he received and is conducting a review of the new FEMA flood maps (referred to as FEMA FIRM). He noted that Ocean City is treated a jurisdiction separate from Worcester County.

D. Finance Administrator Request for Approval to Purchase Golf Course Vehicles on State Contract

Council Member Doug Cymek moved to authorize purchase one (1) Toro Utility Vehicle for \$20,791, one (1) 300-Gallon sprayer for \$34,844, and one (1) Fairway mower for \$41,149; seconded by Council Secretary Knight. The vote was unanimous.

E. City Manager Strategic Plan Discussion (see Attachment A)

F. City Engineer Presentation of Draft Capital Improvement Plan (see Attachment B)

Council Member Dennis Dare moved to ask City Solicitor Ayres to prepare a resolution establishing the Mayor and Council's intent to forward fund the Public Safety and Service Center Buildings' roof replacement with reimbursement from a future bond issuance; seconded by Council Member Cymek. The vote was 5-2 with Council Members Ashley and Pillas opposed.

City Manager David Recor presented a preliminary report on Boardwalk crime from 2010 to present. He noted that, according to OCPD Crime Analyst Brandon Reim's report, crime is down this year. He advised that a full report will be presented in the near future.

ADJOURN

Council Member Joe Mitrecic moved to adjourn at 3:00 p.m.; seconded by Council Member Pillas. The vote was unanimous.

Approved by the MAC
on August 19, 2013
Sherry J. Almond



TOWN OF
OCEAN CITY

ATTACHMENT A

The White Marlin Capital of the World

Agenda Item # 4E
Council Meeting August 13, 2013

TO: The Honorable Mayor, Council President and Members of Council
THRU: David L. Recor, ICMA-CM, City Manager
FROM: Terence J. McGean, PE, City Engineer
RE: Draft Capital Improvement Plan
DATE: August 7, 2013

ISSUE(S): Discussion of DRAFT Capital Improvement Plan

SUMMARY: The staff prepared a draft update to the Capital Improvement Plan for discussion. This presentation is the second step in determining what projects should be included in the upcoming bond issue.

FISCAL IMPACT: As presented to the Mayor and Council by Martha Bennett, Finance Director, during the July 15, 2013 discussion of debt obligation, fiscal parameters to consider are as follows:

1. Total Debt as a percentage of assessed value, City policy is 3% maximum current actual is 1.03%.
2. Net Debt Service (i.e. General Fund debt) as a percentage of general fund expenditures, City policy is 8% maximum, current actual for FY14 budget is 6.90%.
3. Debt Ten-Year Payout ratio, City policy is 65% minimum current actual is 72.09%.
4. Effect of general fund debt service on annual budget, goal is to keep debt service at or below the current level.
5. Effect of enterprise debt service on utility rates, goal is to remain within the boundaries of previously approved rate structures.

RECOMMENDATION: Review submitted draft plan, add or delete projects, change project priorities or timing as desired by Mayor and Council. Pay particular attention to FY14 and FY15 scheduled bond funded projects as these should be considered for inclusion in the upcoming bond sale for the Convention Center Auditorium previously approved for joint funding with the Maryland Stadium Authority.

ALTERNATIVES: None

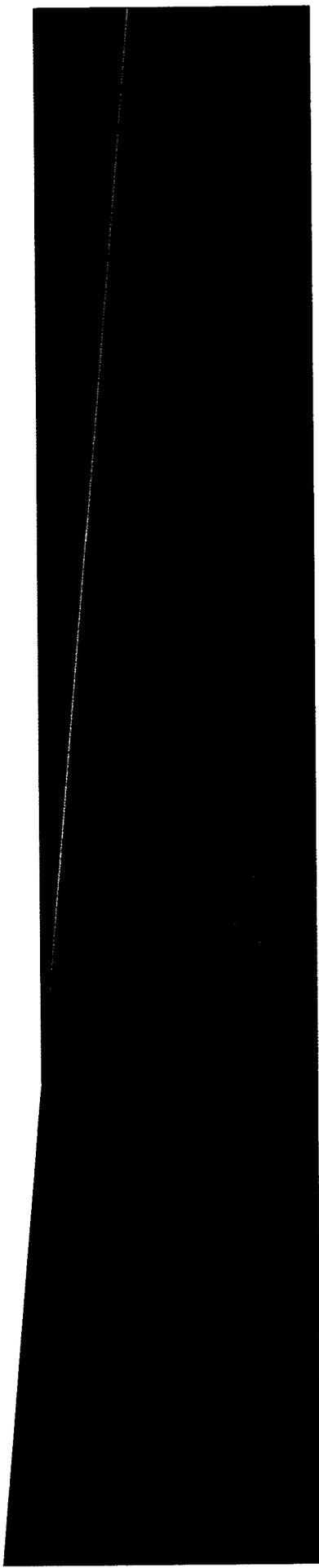
RESPONSIBLE STAFF: Terence McGean, City Engineer

COORDINATED WITH: Martha Bennett, CPA, Finance Director
Hal Adkins, Public Works Director
Matt Margotta, Planning Director
Tom Shuster, Recreation and Parks Director

ATTACHMENT(S):

- 1) Project Summary by department
- 2) Project Summary by funding source
- 3) Detailed project data sheets
- 4) M. Bennett Debt Obligation PowerPoint presented on July 15

FY14 Draft Capital Improvement Plan



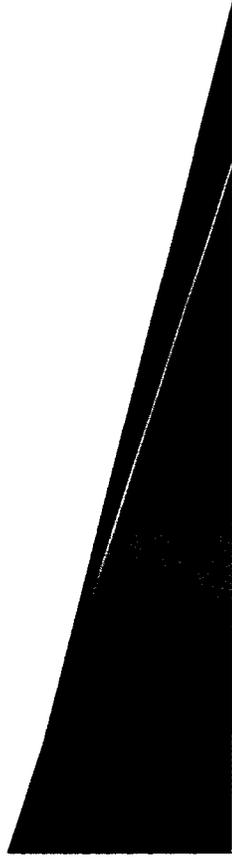
FY12 Projects

- ▶ Boardwalk Reconstruction: Completed (except for “lighting” the fiber network)
- ▶ Caroline Street Station: Under construction
- ▶ St. Louis Ave: Under construction
- ▶ 4th Street Parking Lot: Complete
- ▶ Fire Station 4: Contract awarded, begin construction September
- ▶ Fire Headquarters: In design



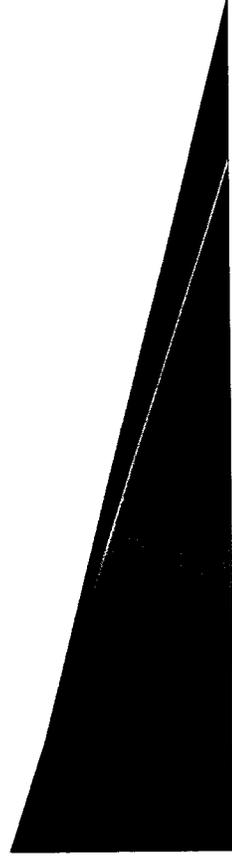
FY12 Projects Continued

- ▶ Old Landing Rd Pump Lift Station: Complete
- ▶ Dukes Ave Lift Station: Begin construction in October
- ▶ Waste Water Plant Clarigester Reconstruction: Under Construction
- ▶ Winter pump upgrades and replacements: Completed



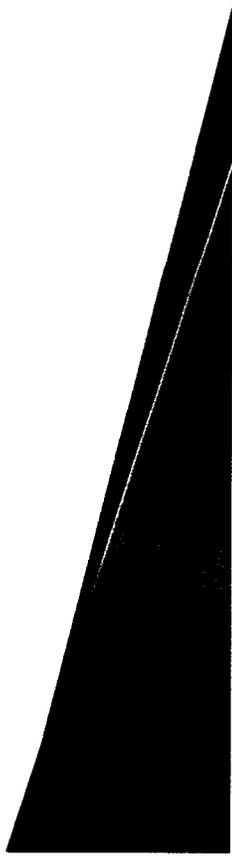
FY14 Draft CIP

- ▶ Includes projects identified by staff to start within the next 5 years.
- ▶ For inclusion in the CIP, projects should:
 - Have a relatively high monetary value
 - Have a long life
 - Result in the creation of an asset or the revitalization of an asset.



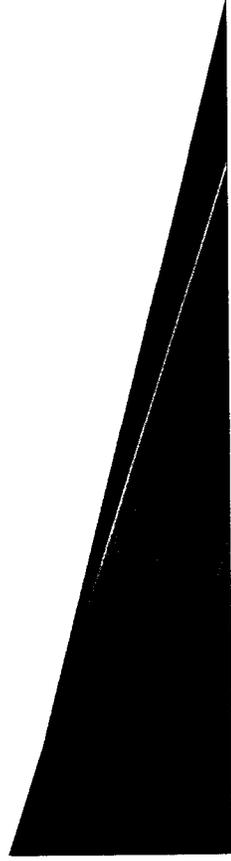
FY14 Draft CIP

- ▶ In general Capital Improvement Projects include the following:
 - Construction of new Town facilities
 - Remodeling or expansion of existing Town facilities
 - Purchase and development of land
 - Operating equipment and machinery for new or expanded facilities
 - Street construction, reconstruction & resurfacing
 - Planning and design costs related to specific Capital Projects.



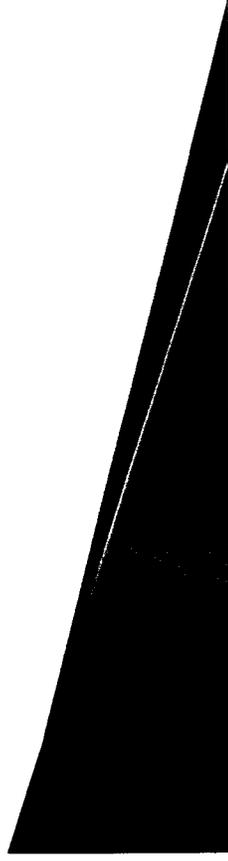
FY14 Draft CIP Summaries

- ▶ Department Categories
 - Public Safety
 - General Public Works
 - Municipal Complex
 - Highways and Streets
 - Recreation & Parks
 - Environmental
 - Technology & Communication (new)
 - Convention Center
 - Airport
 - Water
 - Wastewater



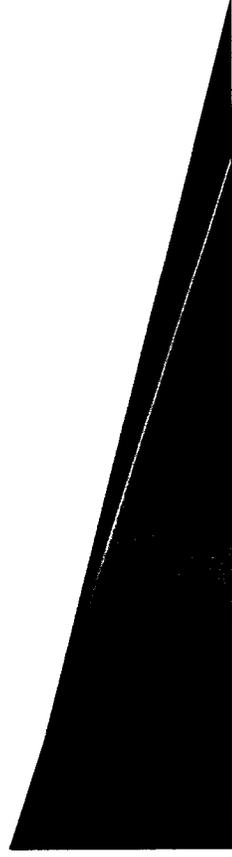
FY14 Draft CIP Funding Sources

- ▶ Debt funding
 - Bond Finance: General Fund supported
 - Bond Finance: OCCC Food Tax supported
 - Bond Finance: User Fee supported
 - Bond Finance: Wastewater Fees supported
 - Bond Finance: Water Fees supported
 - Capital Equipment Lease
 - State Loans



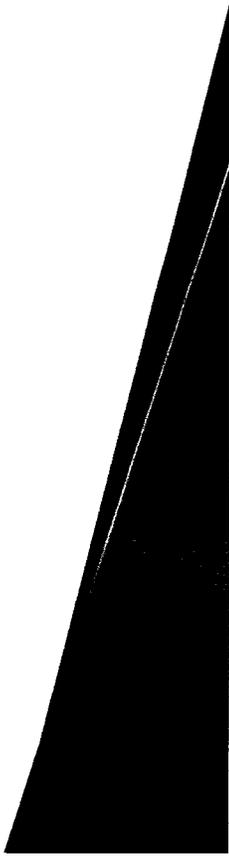
FY14 Draft CIP Funding Sources

- ▶ Pay As You Go and other funding sources
 - Federal Grants
 - State Grants
 - General Fund
 - Prior project balance (for projects shown in the CIP that are already funded)
 - User Fees (stormwater)
 - Vehicle & Equipment Trust Fund
 - Wastewater Fund
 - Water Fund

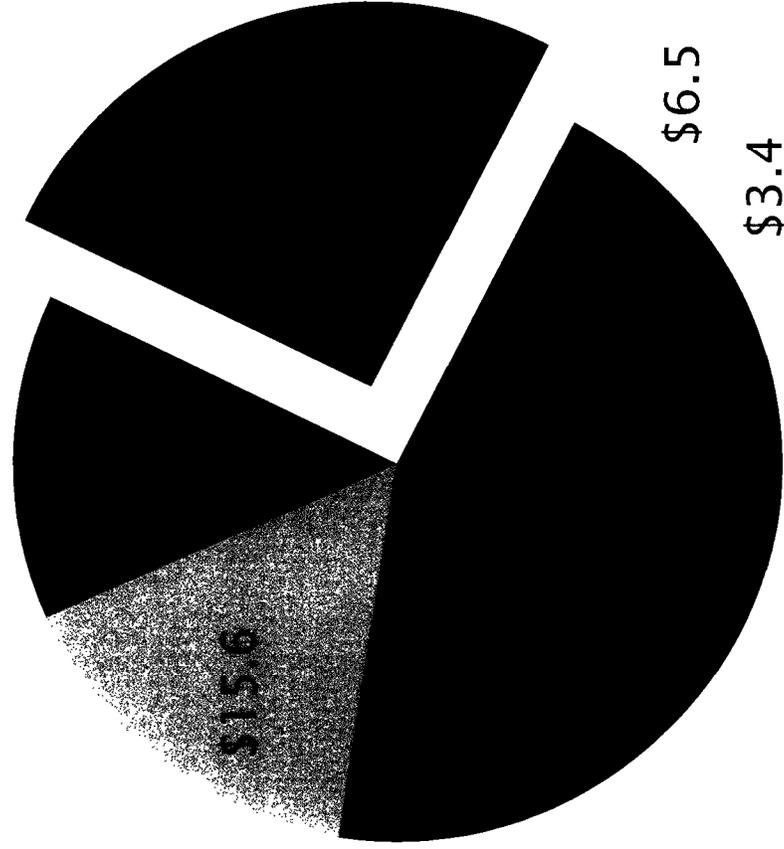


FY14 Draft CIP Highlights

- ▶ Canal dredging: shown as bond financed with user fees but included in GF Bond calculation.
- ▶ Skate Park and Downtown Recreation Complex: Coordination with St. Louis Ave work
- ▶ Beach Patrol HQ: Previously approved for design, proceed?
- ▶ Convention Center Auditorium: Funding committed, bond sale required.
- ▶ Street Improvements/Stormwater: Coordination of funding



by Category



■ Facilities

■ Highways and Streets

■ Recreation and Parks

■ Environment/Canals

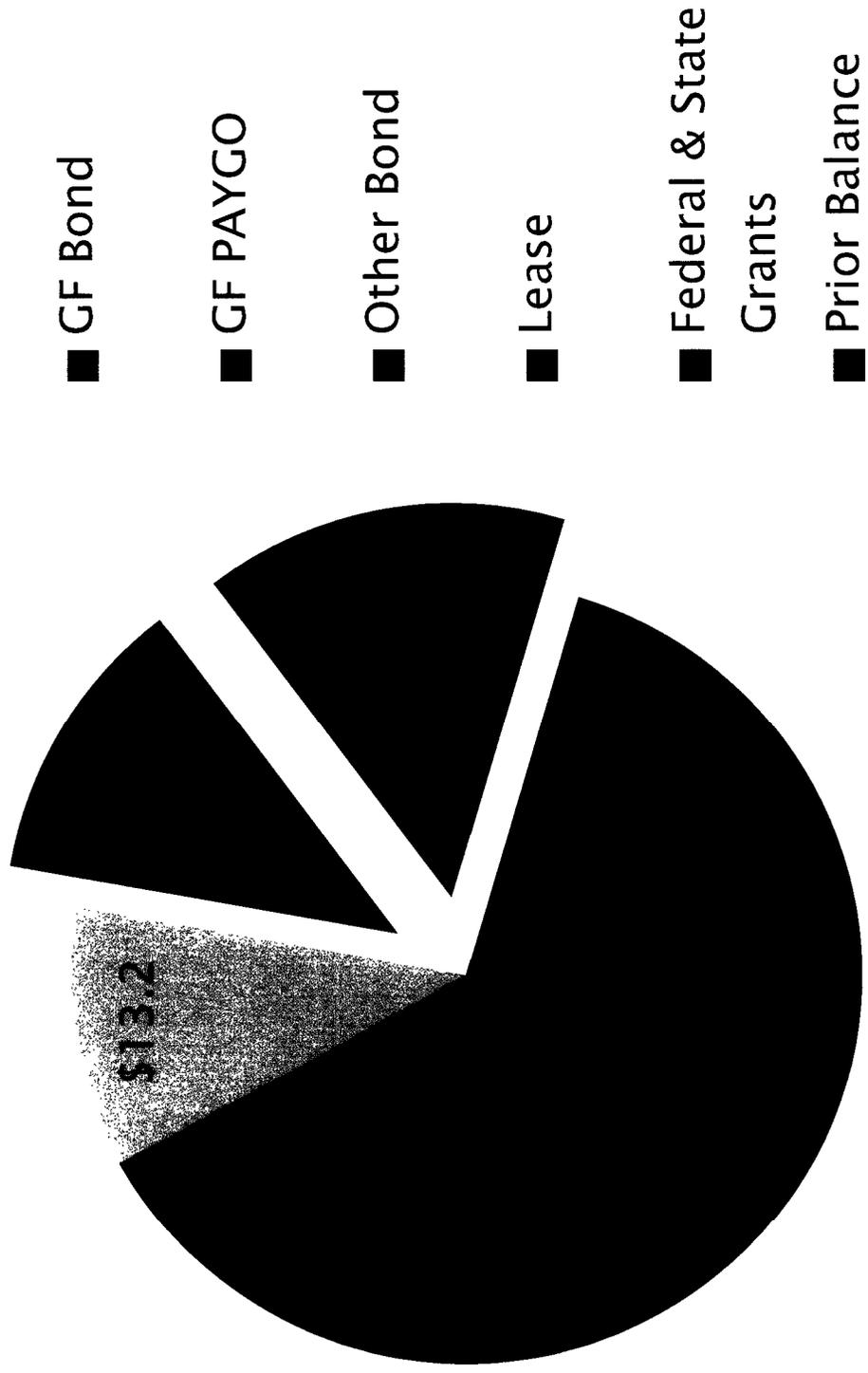
■ Communication

■ Convention Center

Airport

Funding Sources

FY14-18



Bond Funding Sources

Fy 14-18

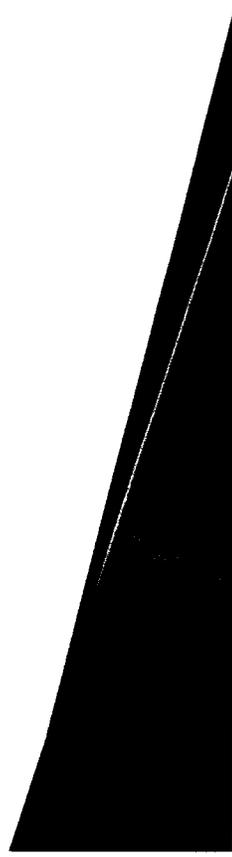


City Debt Policy

- ▶ Total debt as a percentage of assessed Value
 - Policy= 3% Maximum
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- ▶ Net debt service (general fund debt) as a percentage of general fund expenditures
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- ▶ Debt 10 year payout ratio
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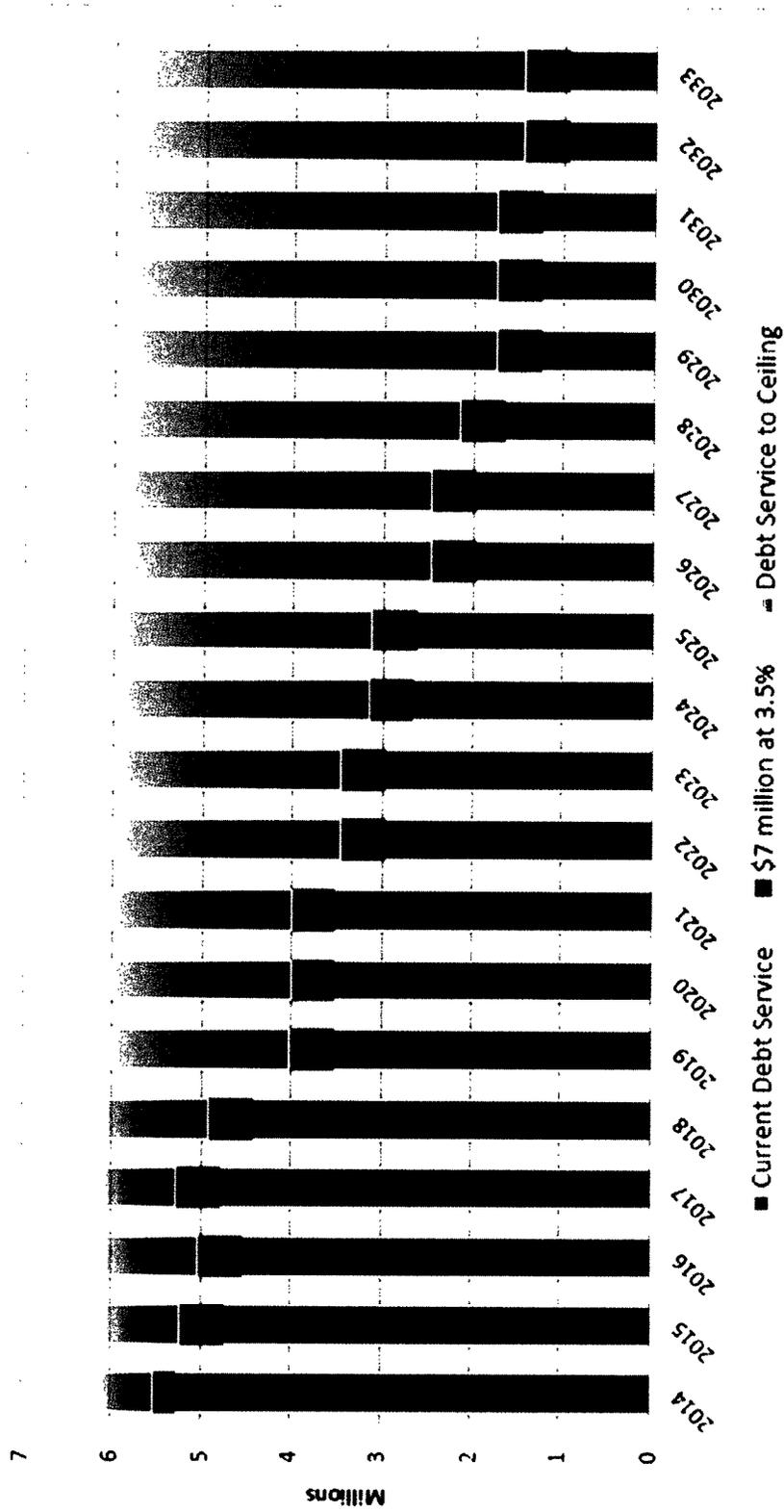
14/15 DRAFT Bond Projects

- ▶ **General Fund Supported Bond (\$7 Million)**
 - Downtown Recreation Complex & Skate Park
 - Beach Patrol Building
 - Public Safety Building Roof Replacement
 - Service Center Roof Replacement
 - Canal dredging (2 years)
- ▶ **Convention Center Food Tax Supported Bond**
 - Auditorium Project (\$8.3 Million)
- ▶ **User Fee Supported Bond**
 - Hanger K (\$850,000)
- ▶ **Wastewater Fee Supported Bond**
 - Effluent Disinfection System Upgrade (\$500,000)



Draft CIP 14/15 GF Bond Projects effect on debt service

General Fund Debt Service to 8% of Expenses Ceiling



Finance Director



TOWN OF OCEAN CITY

ATTACHMENT B

The White Marlin Capital of the World

TO: The Honorable Mayor, Council President and Council Members
FROM: David L. Recor, ICMA-CM, City Manager
RE: Strategic Planning Update
DATE: August 8, 2013

Following approval of the FY14 budget, and prior to consideration of the Town's Five-year Capital Improvement Plan, staff thought it was important to provide the Mayor and Council with an update on the Town's Strategic Planning initiative.

Lyle Sumek, our consultant and facilitator, is completing the final strategic planning documents; however, the Citizen Summit Summary Report has been included in the Mayor and Council's packet for review along with certain excerpts from the Leader's Guide 2013 – Final Report. The Citizen Summit Summary Report is comprehensive detailing the evening's exercises and includes the Mayor and Council's selected participants direct feedback and personal messages to the governing body.

There is also quite a bit of other information from the Leader's Guide 2013 – Final Report beginning with the Town's strategic planning model followed by the Action Ideas for 2013 provided directly from the Mayor and Council's perspective. Other excerpts from the Leader's Guide identify the process the Town used to reach consensus in developing a Vision and Mission statement as well as identifying our core services and our primary customers.

The Mayor and Council ultimately established five-year Goals (the Plan) during the strategic planning process:

- 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 excerpts from the Leader's Guide depict the objectives, means, short and long term challenges and opportunities, policy actions, management actions, major projects as well as management in progress and on the horizon issues. It is the breadth of these issues that staff felt incumbent to schedule this update prior to the CIP discussion because each of these Goals are accompanied by specific Action Outlines for 2013 that have a target deadline and an assigned/responsible department. As the Mayor and Council contemplate prioritizing projects in the CIP, staff wanted to make this information available for the Mayor and Council's consideration.

At the very last session with Lyle Sumek, we spent the afternoon discussing governance in the Town of Ocean City: Mayor and City Council and City Manager in Action. The Leader's Guide 2013 – Final Report includes House Rules: Our Code of Conduct as well as Protocols/Operating Guidelines. These excerpts have also been included for the Mayor and Council's review.

If the Mayor and Council have any questions or need more information prior to Tuesday's Work Session please do not hesitate to call me.
