



# Budget Wrap Up

## Tuesday, April 16, 2019

### Mayor and City Council

#### Town of Ocean City, Maryland

#### CALL TO ORDER

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#### THE HONORABLE MAYOR AND CITY COUNCIL PRESIDING

Attendee Name	Organization	Title	Status	Arrived
Lloyd Martin	Ocean City	Council President	Present	
Mary Knight	Ocean City	Council Secretary	Present	
Dennis Dare	Ocean City	Council Member	Present	
Tony DeLuca	Ocean City	Council Member	Present	
John Gehrig Jr.	Ocean City	Council Member	Present	
Matthew James	Ocean City	Council Member	Present	
Mark L. Paddack	Ocean City	Council Member	Present	
Richard W. Meehan	Ocean City	Mayor	Present	

STAFF IN ATTENDANCE: City Manager Doug Miller, Budget Manager Jennie Knapp, Finance Director Chuck Bireley, City Clerk Diana Chavis, Deputy City Clerk Pamela Peters, Human Resource Director Wayne Evans, Planning and Community Development Director Bill Neville, Public Works Director Hal Adkins, Public Works Deputy Director Woody Vickers, Solid Waste Manager Steve Brown, Procurement Manager Catrice Parsons, City Engineer Terry McGean, Interim Fire Chief David Hartley, Members of the Press and Interested Parties.

Council President Lloyd Martin called this Budget Wrap-Up Meeting to order at 9:00 AM in the Council Chambers of City Hall, 301 N. Baltimore Avenue, Ocean City, Maryland 21842.

#### NEW ASSESSMENTS & RE-DEVELOPMENT

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Properties included in the tax re-assessment roll include Uptown Center, K-Coast 78th Street, Hyatt Place, and Residence Inn. A few that are not substantially complete and will not be included by July 1st are The Cambria Hotel, Hilton TRU, Ocean One, and Beach Bum Hotel. These will be included in FY21.

#### RADIO PURCHASE

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Cost to purchase 5 police and 10 fire radios in FY19 is \$38,366. Estimated cost if purchased in FY20 is \$52,170. Funds are available in the current Fire Department budget for 10 radios totaling \$24,500. Police radios could be purchased from remaining "in lieu of tax differential" grant funds.

**Motion to transfer funds within fire department budget to purchase 10 radios and appropriate grant funds to purchase 5 police radios.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mary Knight, Council Secretary
<b>SECONDER:</b>	Mark L. Paddack, Council Member
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

## MINIMUM WAGE INCREASE

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Minimum wage is increased to \$11 per hour effective January 1, 2020. Impact on general fund for 6 months in FY20 will be \$107,427.67. This amount has been accounted for in the FY20 proposed budget. Council Member Dare suggested staff prepare a minimum wage increase analysis within the next year and return to Council with recommendations on how to fund this expense over the next four fiscal years. Goal is to retain employees and plan a fiscally responsible budget. Town will see an 8%-9% increase each year.

## OVERTIME POLICY

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Referenced in the Employee Handbook Section 3.9. Town follows State of Maryland overtime policy. Council Member DeLuca requested a strategic planning discussion about the breakdown of costs associated with hiring new employees versus paying overtime.

## IMPACT FEES - SINGLE FAMILY HOMES

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Presented a snapshot of current particulars: \$4 million in structure value generates \$156,000 in revenue. Strategic Plan goal is making Ocean City a livable community. Impact fees inhibit people from building in town. Fees may not be a significant amount for the town, but they are significant to a builder. Council Member Dare suggested adjusting fees and capping number of fixtures. Discussed rental license fees and noise violations. Finance Director noted fees recover costs for complaints responded to by police. Mayor suggested increasing fines making license holders more apt to pay in a timely manner.

**Motion for Planning and Community Development staff to review R1 District impact fee collection policy and return to Council with policy revision recommendations.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mary Knight, Council Secretary
<b>SECONDER:</b>	Dennis Dare, Council Member
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

## TRAM FARE INCREASE

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**Motion to increase tram ridership rate from \$3 to \$4; coupon book rate from \$20 to \$26; and all day ridership from \$6 to \$8; Motion amended to include rate change be effective immediately.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mark L. Paddack, Council Member
<b>SECONDER:</b>	Tony DeLuca, Council Member
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

## SIDE LOAD TRASH TRUCK

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Discussed purchase of \$244,000 side load trash truck and available options for 20 affected buildings that require a side load truck for trash collection. Mayor suggested working with each location so they have time to plan and budget in order to meet current specifications required for a front load trash truck.

**Motion for Solid Waste staff to meet with management company of 20 affected locations over the summer to coordinate efforts to eliminate the side load trash collection system and develop a trash collection system that accommodates our current fleet while holding \$244,000 in funds to add another front end loader if these locations are transitioned from side to front loader or replace the side loader if an alternate collection system is not plausible for these locations.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Dennis Dare, Council Member
<b>SECONDER:</b>	Matthew James, Council Member
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

## POLICE TAKE HOME VEHICLES

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City Manager wishes to provide year-round, take-home vehicles for all resident patrol officers beginning summer 2020. This would encourage officers to live in town and deter crime. Vehicles are needed on a 24/7 basis during the summer, so officers are unable to take them home in season.

**Motion for staff to establish a *year-round* police take-home vehicle policy for the Police Saturation Patrol Program.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mark L. Paddack, Council Member
<b>SECONDER:</b>	Dennis Dare, Council Member
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

Council Member Dare stated saturation program currently has 4 participants but has had as many as 7 at one time. Vehicle costs are \$35,000 with an additional \$15,000 for upfitting and another \$5,000 for radios and computers. Several council members disagree with using tram revenue to purchase vehicles and suggested decision be made after staff recommendations.

**Motion to fund purchase of 4 police patrol vehicles so that if the staff's study supports the program, the town will be in a position to purchase vehicles. If the study does not support the program, funds will remain in vehicle trust fund or general fund.**

<b>RESULT:</b>	<b>WITHDRAWN [2 TO 5]</b>
<b>MOVER:</b>	Dennis Dare, Council Member
<b>SECONDER:</b>	Mark L. Paddack, Council Member
<b>AYES:</b>	Dare, Paddack
<b>NAYS:</b>	Martin, Knight, DeLuca, Gehrig Jr., James

## CONSTANT TAX RATE

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State of Maryland adds an estimate of any construction substantially complete by July 1st to tax rolls and includes a Homestead Tax Credit of \$67,074.716 making the constant yield tax rate .4585 per \$100 of assessed value. The FY19 tax rate is .4656. Council has maintained the constant yield rate for a long time. Fund balance, fund balance projections and bond ratings were discussed. Mayor and Council discussed unforeseen costs and mandated minimum wage increases. Several members noted union contract cost increases and the need to invest in our product - a world class, safe, clean resort destination with sound infrastructure and sustained service. Council Members DeLuca and James oppose any tax rate increase and suggested alternatives be further vetted.

**Motion to set FY20 tax rate at the constant tax rate of .4656 to maintain fiscal stability.**

<b>RESULT:</b>	<b>APPROVED [5 TO 2]</b>
<b>MOVER:</b>	Dennis Dare, Council Member
<b>SECONDER:</b>	Mark L. Paddack, Council Member
<b>AYES:</b>	Martin, Knight, Dare, Gehrig Jr., Paddack
<b>NAYS:</b>	DeLuca, James

## STORM DRAIN CLEANING/TOWN CODE LEGAL UPDATE/ FIRE STATION 3 STUDY

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**Motion to fund \$100,000 in FY20 for storm drain cleaning.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mark L. Paddack, Council Member
<b>SECONDER:</b>	Mary Knight, Council Secretary
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

**Motion to fund \$8,500 for legal review of town code by Municode.**

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Mark L. Paddack, Council Member
<b>SECONDER:</b>	Mary Knight, Council Secretary
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

Council Members Gehrig and James consider other Capital Improvement Projects priority.

**Motion to fund \$30,000 for study of Fire Station #3 replacement.**

<b>RESULT:</b>	<b>APPROVED [5 TO 2]</b>
<b>MOVER:</b>	Dennis Dare, Council Member
<b>SECONDER:</b>	Mary Knight, Council Secretary
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Paddack
<b>NAYS:</b>	Gehrig Jr., James

## ADJOURN

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### Motion to adjourn at 12:40 PM.

<b>RESULT:</b>	<b>APPROVED [UNANIMOUS]</b>
<b>MOVER:</b>	Matthew James, Council Member
<b>SECONDER:</b>	Mary Knight, Council Secretary
<b>AYES:</b>	Martin, Knight, Dare, DeLuca, Gehrig Jr., James, Paddack

Approved by Mayor and Council this \_\_\_\_ day of \_\_\_\_\_, 2019.

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Diana L. Chavis, CMC  
City Clerk