

April 3rd, 1962

A meeting of the Mayor and City Council of Ocean City was held in the Municipal Building on Tuesday evening, April 3rd, 1962.

Mayor Cropper and Councilmen Harman, Jackson, Kelley, McCabe and Showell were present.

Mr. M. J. Williams and Mr. Jerry Legg were also present.

The meeting was called to order by the President of the Council, Harry W. Kelley.

The minutes of the meeting of March 27th, 1962, were read and approved.

There was discussion concerning purchasing of supplies and repairs and parts for various vehicles. It was suggested that a system be devised whereby when an employee desires some item or requires repair to a vehicle or equipment, he must requisition such to the Clerk and approval given by him for same.

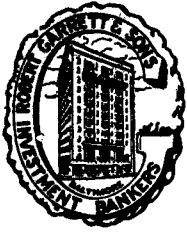
This discussion was brought about by invoices from various garages and suppliers for the month of march in excess of the usual amounts. These were caused by various damage to equipment and the need for items out of the ordinary due to the storm.

There was also discussion regarding repairs to vehicles by the various garages in town and it was suggested that another mechanic be hired for the garage so that a more efficient operation of this unit can be affected.

A motion was made by McCabe, seconded by Harman, that a requisition system be installed to check purchases and services. Motion carried and passed unanimously.

Representatives of Robert Garrett and Sons attended this meeting in reference to their designation as financial advisor in connection with the proposed bond issue for the construction of sewerage facilities jointly with the county.

The following letter was distributed to the Mayor and members of the Council and Mr. Mulligan went through the role that their firm would have as financial advisor:



# ROBERT GARRETT & SONS

*Established 1840*

BALTIMORE • NEW YORK

MEMBERS

NEW YORK STOCK EXCHANGE  
AMERICAN STOCK EXCHANGE (ASSOCIATE)  
PHILADELPHIA-BALTIMORE STOCK EXCHANGE

GARRETT BUILDING  
BALTIMORE 3, MARYLAND  
MU 5-7600

TO: Mayor and Council  
Ocean City, Maryland

As Investment Bankers, Robert Garrett & Sons would cooperate with the Mayor and Council, its Consulting and Construction Engineers, Bond Counsel, and other experts in determining the best method of financing the proposed issue of Ocean City, Maryland Bonds for the purpose of constructing a sewerage system. Upon designation as financial advisor, we would proceed as follows:

- 1) Investigate all pertinent factors with a view of presenting a suitable plan for financing the project. This plan would include, among other things:
  - a) Amount of issue, which amount should cover estimated cost of construction.
  - b) Sample debt schedules.
  - c) Analysis of tax structure, in order to project budget requirements.
  - d) Disposition of bond proceeds with provisions for investments of unused funds during construction period.
- 2) Refer all necessary documents to the various Bond rating agencies.
- 3) Prepare preliminary circulars to be used as a prospectus.
- 4) Cooperate by attending any meetings requested of us.

Upon determination of best method of financing, i.e., negotiation or competitive sale, Robert Garrett & Sons would proceed as follows:

## Negotiation

- a) Form syndicate to submit a bid.
- b) Upon acceptance of bid, proceed to make public offering of the bonds.
- c) Arrange for payment, delivery and settlement.
- d) Continue as financial advisor.

## Competitive Sale

- a) Prepare necessary statements for Public Sale.
- b) Cooperate with Bond Counsel in placing advertisement in The Bond Buyer.
- c) With approval of Mayor and Council, Robert Garrett & Sons would form a syndicate to bid on the issue.

Robert Garrett & Sons would not charge a fee for functioning as an advisor to Ocean City, nor would there be any charge for the preparation of the above-mentioned documents.

ROBERT GARRETT & SONS

April 3, 1962

## Advantages in Financing a Municipal Project through Negotiation

- 1) The Municipality has the right to reject the bid, and since we would not charge a fee, the Municipality has nothing to lose but much to gain.
- 2) The Investment Banker sufficiently familiarizes himself with the needs and problems of the Municipality in order to attain the best rate of interest.
- 3) Municipalities when effected by extenuating circumstances have sometimes not received any bids after advertising for public sale.
- 4) There is more flexibility since the Financial Advisor can make last minute changes in the issue up to the actual sale date which would be impossible when advertising for competitive bids.
- 5) In retaining Robert Garrett & Sons as an investment advisor we would be available to assist in solving not only the problems of the proposed issue but also for any future civic projects.

## Order of Events

Since you have already retained engineers and Bond Counsel who have completed certain preliminary steps, the next items to consider in the order of their importance are as follows:

- 1) Appointment of an Investment Banker.
- 2) Determination of a target date for the issue.
- 3) Preparation of financial studies and prospectus by Investment Banker in cooperation with engineers and Bond Counsel.
- 4) Determination by Municipality whether sale is to be negotiated or advertised for bids.
- 5) Advertisement for bids from contractors.
- 6) Receipt of bids for determination of size of issue.
- 7) The Investment Banker submits a bid to the Municipality for their acceptance or rejection.
- 8) Drafting of ordinances, legal opinions, etc. by Bond Counsel.
- 9) Settlement for bonds, awarding construction contracts, and commencement of construction.

ROBERT GARRETT & SONS

After presenting their letter and discussion it was determined that if the Mayor and Council elected to choose a financial advisor in connection with the proposed bond issue, and inasmuch as our bond counsel has highly recommended Butcher and Sherred as well as Robert Garrett and Sons, it would be only a matter of choice.

It was generally agreed that inasmuch as Robert Garrett and Sons is a Maryland corporation and have participated in the bidding of Ocean City bond issues in the past, that they would be retained in the capacity of financial advisor.

These representatives left the council chambers so that the Mayor and Council could discuss their qualifications. They were invited back and were told that they had been selected.

A motion was made by Showell, seconded by Jackson, that the firm of Robert Garrett and Sons be retained for the purpose of cooperating with the Mayor and Council, its Consulting and Construction Engineers, Bond Counsel, and others in determining the best method of financing the proposed issue of Ocean City Bonds for the purpose of constructing a sewerage system and that it is understood that they will not charge a fee for functioning in this capacity and that there will be no charge for the preparation of various documents in connection therewith. Motion carried and passed unanimously.

The clerk was asked to advise Butcher and Sherred of this decision.

The following renewals of retail alcoholic beverage licenses were approved:

Surf Side Inn, The Embers, Shoreham Hotel, The Oasis,  
Diplomat Motor Hotel, George Washington Hotel, American  
Legion and the French Quarter.

Clerk read an invitation sent by Mrs. Mayne Collins of Crisfield to attend a Birthday "Open House" for Governor Tawes in Crisfield on Sunday April 8th. In this connection it was thought that it would be appropriate for the Mayor and Council to present Governor Tawes with some sort of plaque, or other gift, in appreciation for his kindness and help in our recent storm disaster. It was suggested that a plaque be inscribed with an appropriate message showing appreciation from the Mayor and Council and the peoples of Ocean City. The sum of \$100. was suggested as a sum to expend and the Mayor and was asked to approve such gift and inscription thereon.

Clerk stated that we had been advised through Mr. Marsh Gollner of Salisbury that Joe Merritt Nurseries of Dundalk, Md. had offered to the town of Ocean City 1000 hydrangeas at no cost for the beautification of Ocean City. Mr. Gollner stated that Mr. Merritt had talked with him and had made this offer. The Mayor and Council were most appreciative of this offer and the clerk was asked to advise Mr. Merritt of our acceptance and appreciation.

Clerk stated that he had talked with representatives of the Eastern Shore Public Service Company with reference to lighting the boardwalk and that our present rate for this based on the 49 lighting standards is \$3,197.70 per year. This is broken down between the lights themselves at \$2,102.10 and the circuit footage at \$1,095.60. The Mayor and Council have the choice of requesting the same type lighting standards to be replaced and the same annual price to apply, or they can select a more modern type lighting at prices of \$72.05 for 11000 lumen mercury mounted on penta treated distribution poles with overhead wiring, plus \$13.30 for each 35 ft. Class 5 wood pole required exclusively of public lighting fixtures or public lighting circuits, or 11000 lumen mercury mounted on ornamental lighting standards at \$92.95 per light per annum plus \$13.30 for each pole required to carry the overhead wire.

Sometime ago the Eastern Shore Public Service Co. had made a proposal to the Mayor and Council for more modern lighting and had recommended a total of 72 standards of the ornamental type.

In discussing this, it was generally agreed that more modern lighting would be desired. It was the opinion of some that the overhead wire would be objectionable. It was suggested that the town purchase its own lighting standards and erect them and have the Eastern Shore Public Service Co. maintain them and furnish current.

It was suggested that the State Roads Commission be contacted with reference to their procedure in lighting bridges and parkways, etc. to see if we cannot follow their procedure.

Clerk was asked to have representatives of the Eastern Shore Public Service Co. present next Tuesday evening for a discussion of this boardwalk lighting.

A building permit for the construction of a ten unit motel at the corner of Somerset St. and Philadelphia by Allut M. Webster was approved.

A letter from Koontz Equipment Corp. advised that they will put parking meters in first class condition at a cost of \$17.00 per unit. These meters had been under

water during the storm and the salt had reacted on the mechanism so that they will have to be gone over in order to be operable.

A motion was made by McCabe, seconded by Jackson, that the meters be sent to Koontz Equipment Co. for repairs at a cost of \$17.00 each.

Their letter also called attention to their survey covering the installation of additional parking meters. They left copies of their survey and Mr. Kelley asked that these be studied by the Mayor and members of the council for discussion at the next council meeting.

They suggested in their letter that consideration be given to revising the parking lot on the beach and lessen the number of posts and give consideration of the purchase of new meters to replace the old dual meters.

Mr. Harman stated that he felt that this should be given consideration.

Clerk stated that he had received calls from Mr. Motoyoshi with reference to storm water running from the streets onto his property which is considerably lower than the streets. Mr. Motoyoshi had asked that a drain be installed to take care of this condition. It was the opinion of our engineer that the drain would not be of any value to Mr. Motoyoshi unless he constructs a sidewalk or wall to keep the water from running from the streets. A motion was made by Showell, seconded by Jackson, that if Mr. Motoyoshi will construct a sidewalk on his property at 38th street and Philadelphia Ave., we will then run a storm drain across Philadelphia Ave. to try to alleviate his condition. Motion carried and passed with one dissenting vote, that of Mr. McCabe.

Drive way along Mr. Louis Shockley's property at the corner of Baltimore Ave. and 11th street was approved. It was thought that allowing this continuous driveway would permit more off street parking.

Mr. Legg suggested that the Mayor and Council give consideration to the hiring of a mechanic in order to economize and to improve the facilities at the garage. He was told that the Clerk had already been authorized to contact an applicant for such a position.

Mr. Williams stated that he had received a call from Mr. Klebold with reference to the construction of the Flagship Motel. Due to their severe damage during the storm, they wanted the Mayor and Council to allow them to continue work throughout the summer under certain conditions so that they can resume building and make repairs to the building caused by the storm.

It was decided that construction on repairs and continuation of buildings started prior to the storm would be permitted during the period June 15th to Sept. 15th between the hours of 10:00 A. M. and 6:30 P. M., excluding Sundays.

Mr. McCabe pointed out that workmen should not be permitted to enter the property to sharpen saws, etc. until 10:00 each day.

Mr. Williams stated that he had talked with Senator Sanford with reference to the construction of a convention hall in Ocean City with state funds and that Senator Sanford had talked with Governor Tawes concerning this. Mr. Williams stated that he understood that Governor Tawes was not very enthusiastic about a convention hall but did mention that it may be possible to have police barracks near Ocean City and also a hospital.

Mr. Williams further stated that he had talked with the people in Elkton who are interested in constructing a convention hall here and had tentatively set up a meeting with them for April 12th at 1:00 P. M. at the Seascape Motel. Mayor Cropper told of his meeting in Baltimore last Friday with Mr. Funk of the State Roads Commission, representatives of the U. S. Corps of Engineers, Worcester County representatives, and others, with reference to the proposed dune line to be established along the shore line. He stated that this meeting had been long and no definite decisions had been reached. Each suggestion would be contingent to the acquisition of properties and/or an easement from the ~~the~~ property owners making the Federal Government exempt from any damage that may incur due to their operations of dredging. Also that this easement would be a continuous one.

Mr. Showell asked that sand piled in the alley between 40 and 41 streets be pushed to the beach.

Mr. Williams read a letter sent to Mr. Harry V. Kellum from Wm. J. Ahte's ~~letter~~ lawyer with reference to the quit claim deed given Mr. Kellum by the town for the bed of Chicago Ave. south of 14th Street. This letter stated that Mr. Ahtes also has claim to this street and that the town could not convey it to Mr. Kellum. Mr. Williams stated that he was inclined to go along with Mr. Ahtes' lawyer and advised that the Mayor and Council have only given their rights, if any, by the quit claim deed and any claim by Mr. Ahtes would be between him and Mr. Kellum.

Mr. McCabe asked if the original sand fence was to be erected and the Mayor told him that the state was planning to re-establish this fence along the old dune line.

Mr. McCabe stated that he had talked with Mr. Hugh Wilde and it was his understanding that he was still waiting to find out something about the construction of a sewer line to 31st street. Mr. Kelley stated that he had talked with him and he had planned to go ahead and put in his own tank and drain field.

Clerk was told to proceed with the grading of 32nd street at the request of Irving Bainum.

Mr. Kelley stated that he had ~~en~~ recently flown to New York and had observed stone jetties along the New Jersey and New York coasts and had noted that where these structures existed, damage to properties had been very slight. Construction of similar structures here was suggested for Ocean City.

On motion by Jackson, seconded by Harman, the following vouchers were approved for payment:

The meeting adjourned on motion at 10:00 P. M.

Vouchers written since last council meeting and signed by Treasurer or Mayor:

|  |          |
|--|----------|
| #31678 - Pay Roll week ending 3/29/62            | 2,628.60 |
| #31679 - Information Center - Operating Expenses | 1,000.00 |

Vouchers prepared and presented for approval at meeting of Mayor and Council on Tuesday, April 3rd, 1962:

|  |           |
|--|-----------|
| #31680 - Employees' Retirement System - Contributions for month of March                       | 932.40    |
| #31681 - Director of Internal Revenue - Withholding taxes for month of March                   | 1,397.70  |
| #31682 - Comptroller of the Treasury - Maryland withholding taxes for quarter ended 3/31/62    | 71.50     |
| #31683 - Erma Hudson - Rental of Truck and driver 3/15 thru 3/30                               | 354.60    |
| #31684 - Jim's Amoco Bridge Service - Statement for March                                      | 451.23    |
| #31685 - Calvin B. Quillin - Ambulance trips, etc. for first quarter                           | 101.44    |
| #31686 - The Tingle Printing Co. - Emergency Vehicle signs                                     | 25.00     |
| #31687 - Elliott's Esso Station - Gasoline, etc. during storm                                  | 96.08     |
| #31688 - Inland Construction Co. - Landfill operation for period 3/2 thru 4/1/62               | 880.00    |
| #31689 - Texaco, Inc. - Gasoline   | 165.31    |
| #31690 - Elliott's Hardware - Statement for March, 1962  | 334.93    |
| #31691 - The Democratic Messenger - Card of Thanks   | 6.00      |
| #31692 - Ocean City Machine Works - Statement for March  | 88.18     |
| #31693 - William D. Rayne - Clafill hauled in streets to be repaired                           | 280.50    |
| #31694 - Artcraft Elec. Supply Co. - Misc. lamps   | 14.36     |
| #31695 - The Adkins Co. of O. C. - March statement   | 103.32    |
| #31696 - Southern Oxygen Co. - Demurrage on cylinders  | 2.24      |
| #31697 - McCabe's Sinclair Service - Statement for March                                       | 656.75    |
| #31698 - Hubert R. White Hdwe. Co. - Misc. pipe fittings                                       | 40.92     |
| #31699 - Delmarva Asphalt Co. - Equipment on March 7, 9, 10                                    | 1,591.84  |
| #31700 - Eastern Shore Times - Thank You Ad  | 20.00     |
| #31701 - The Eastern Shore Public Service Co. - Current - sign near Stephen Decatur            | 9.89      |
| #31702 - R. D. Wood Co. - 18" pipe and fittings  | 5,124.34  |
| #31703 - International Salt Co. - 600 bags salt  | 687.00    |
| #31704 - Bank of Ocean City - Bonds redeemable and coupon interest 1961 Multiple Purpose Bonds | 17,032.00 |
| #31705 - Salisbury Office Supply - Pads, file folders, etc.                                    | 19.82     |
| #31706 - Kline's Heating Oil Service - Fuel oil  | 79.40     |
| #31707 - A. Jacobs & Sons, Inc. - Chin straps and braid  | 10.50     |
| #31708 - Frank W. Massey - 54' RH Wire   | 11.34     |
| #31709 - Hugh A. Stephens - Repairs furnace at Disp. Plant.                                    | 39.78     |
| #31710 - Cropper & Brittingham - Statement for March   | 319.44    |
| #31711 - Dixie Sign Co. - Rental of signs  | 619.55    |
| #31712 - Miller Electric Co. - Repairs 1/4 HP motor, drinking fountain and oxygen tent         | 297.80    |
| #31713 - Mary Carter Paint Co. - Roller and paint  | 70.05     |
| #31714 - James J. Lacy Co. - cast iron gratings  | 280.00    |
| #31715 - M. P. Davis - Parts for tractor   | 29.51     |
| #31716 - C. & P. Telephone Co. - Misc. phones  | 271.75    |

Pay Roll W/E 3/29/62

|                      |                 |
|----------------------|-----------------|
|                      | 3,061.98        |
| Less Social Security | 95.73           |
| Less Federal W/H     | 299.20          |
| Less State W/H       | 30.45           |
| Less Police Fund     | 8.00            |
|                      | <u>2,628.60</u> |

WAGES ON WEEKLY BASIS: 2,217.32  
WAGES ON HOURLY BASIS: 844.66

3,061.98

DISTRIBUTION OF WAGES ON WEEKLY BASIS:

|              |                 |              |
|--------------|-----------------|--------------|
| 10.141       | Clerks          | 213.47       |
| 10.811       | Municipal bldgs | 115.00       |
| 10.911       | Advertising     | 180.00       |
| 11.111       | Police          | 1,155.00     |
| 12.201       | Streets         | 153.85       |
| 13.201       | Sewers          | 131.86       |
| 20.201       | Water           | 110.64       |
| 1959 Capital | (Force Main)    | 6.26         |
| Storm Damage |                 | 81.24        |
| Clean Up     |                 | <u>70.00</u> |

2,217.32

DISTRIBUTION OF WAGES ON HOURLY BASIS:

|                   |                  |               |
|-------------------|------------------|---------------|
| 10.142F           | Clerks Auto      | 7.80          |
| 10.811            | Municipal Bldgs. | 48.00         |
| 11/111            | Police Dept.     | 2.60          |
| 11.212            | Fire Dept.       | 42.00         |
| <del>11.212</del> |                  |               |
| 12.201            | Streets          | 10.40         |
| 13.201            | Sewers           | 60.80         |
| 13.401            | Waste Collection | 186.26        |
| 20.201            | Water            | 77.50         |
| 1959 Capital      | (Force Main)     | 5.00          |
| Storm Damage      |                  | 214.50        |
| Clean-up          |                  | <u>189.80</u> |

844.66  
3,061.98