

**CITY COUNCIL WORKSHOP MEETING MINUTES  
THURSDAY, FEBRUARY 20, 2014 - 6:00 PM  
OC FREE PUBLIC LIBRARY**

**ATTENDANCE:** Mr. Allegretto, Mr. DeVlieger, Mr. Guinosso, Mr. Hartzell, Mr. McClellan, Mr. Ping, and Mr. Wilson. Also present was Mayor Gillian and Frank Donato, CFO.

Council President Wilson called the meeting to order at 6:00 pm and asked everyone to rise for the flag salute. He announced the meeting had been advertised in accordance with P.L. 1975, Chapter 231.

Mr. Wilson turned the meeting over to the administration. Mayor Gillian introduced Frank Donato, CFO to present the expense side of the City's \$72.7 million budget. He reviewed the 2014 increases in expenses and revenues for a total budget increase of \$727,483. Mr. Donato reviewed the history of pension costs, the history of health insurance and spoke about the benefits when the city entered the state health benefit program in 2009 for a 4-year period. Mr. Hartzell asked if the City had taken a look at the numbers to re-enter the program. Mr. Donato said he did and found no benefit in switching back to the state health plan.

Mr. Donato spoke on the total debt service of \$9,834,622 with a 7-year average increase of 5.4% and a total capital improvement fund of \$725,000. He presented a slide on the history of library appropriations a 9-year period.

Mr. Donato provided a history of full time staffing and went on to review the individual departments staffing and operating expenses of the Departments of Administration, Community Operations, Law, Financial Management, Fire and Rescue Services, Police Protection and the Statutory Offices of the City Clerk and Municipal Court.

There were council questions regarding increases and decreases in staff positions in various departments. Mr. Donato reviewed reorganizational changes with Engineering moving from the Department of Administration and all former Public Works Department except for Public Relations and Information, Pops and Neighborhood & Social Services into the new Department of Community Operations; formerly the Department of Community Services.

Mr. Hartzell questioned why operating expenses were up in some departments. Mr. Donato said he will follow up with the department heads to provide additional information.

Mr. Donato spoke about the Mayor increasing yearly contributions to the Historical Museum and Arts Center from \$25,000 to \$50,000 dollars. Mr. Hartzell requested a presentation of how they use the contributions.

Mr. Guinosso asked for an analysis of various cost centers in the City. Mr. Donato provided a 2013 cost analysis of the Pops Orchestra, the Aquatic & Fitness Center and the Ocean City Municipal Airport.

Mr. Wilson asked if the Pops concerts were down. Mr. Donato stated the Pops operated at a loss of approximately \$333,335. Mr. Donato reported the Aquatic & Fitness Center is run as a community oriented fitness center not a private club which operated at a loss of \$344,888 in 2013; membership rates would have to increase by 30% to break even. He reported the airport operated at a loss of \$168,559.

There was council discussion on how to better advertise the Pops Concerts with suggestions to preview the concerts on Channel 2, or even a TV screen on the boardwalk. Mr. DeVlieger said the City should work closely with the Pops to make it more profitable.

Mr. McClellan stated the Historical Museum would welcome the opportunity to make a presentation to council. Mayor Gillian spoke about providing assistance with helping the museum obtain grants. Mr. Ping said the prior administration sought grant money to support the arts, the fitness center and airport and suggested the city hire lobbyists from Washington, D.C. to secure federal grants. Mr. Donato spoke about the various grants received in the past related to the airport.

Mr. Guinosso said additional funding is needed to pave alleys and repair the deteriorating infrastructure.

Mr. DeVlieger received a request from a resident to provide greater detail in the weekly Police and Fire reports. Mr. Donato said Chief Callahan should be contacted to discuss the matter further.

Mr. Allegretto said his biggest concern is whenever the city adds additional employees, the City needs to look at the lifetime overall cost versus the benefit.

Mr. Wilson reported he had additional questions answered when he met with the auditor along with Mr. Hartzell and Mr. Ping.

#### **PENDING BUSINESS**

Mr. Guinosso announced he will be holding a 4<sup>th</sup> Ward meeting on Saturday at 9:30 am at our Lady of Good Counsel Hall.

#### **NEW BUSINESS**

Mr. Hartzell suggested the timers on the traffic lights be placed on a winter schedule along 34<sup>th</sup> Street to Bay Avenue.

Mr. Allegretto announced Channel 2 will be relocating to Channel 97.

Mr. Donato reported the city is testing out a new method to control beach erosion by using synthetic sand bags called TrapBags on the beach at 57<sup>th</sup> Street at no cost to the city.

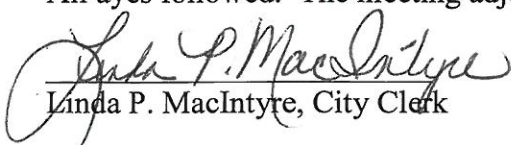
#### **CITIZEN COMMENT**

**Michael Hinchman, 281 West Atlantic Boulevard** – questioned what the Public Works department is doing since Super Storm Sandy; provided suggestions on the way to save money in the Police Department and said the city is doing their debt the wrong way; should go long term and questioned the library debt.

**Dale Braun, 326 West Avenue** – questioned a line item in the Human Resource budget related to stipends and stated the City should factor in the income from persons parking in the city lot when attending concerts at the Music Pier. Mr. Donato stated the stipend is an incentive to opt out of the city's health care if a spouse has coverage.

Mr. Hartzell stated he is impressed with the results that accidents have been greatly reduced since Police Chief Callahan took over the department.

Mr. Wilson asked for a motion to adjourn. Motion moved by Mr. Hartzell; seconded by Mr. McClellan. All ayes followed. The meeting adjourned at 7:51 pm.

  
Linda P. MacIntyre, City Clerk