



MAYOR AND CITY COUNCIL

WORK SESSION
Tuesday, August 12, 2025 - 1:00 PM

AGENDA

1. CALL TO ORDER

2. NOTICE AND REPORT ON CLOSED SESSION

- A. Closed Session Notice and Report - Tuesday, August 12, 2025, 11:45 AM - 1:00 PM to discuss Legal and Personnel Matters

3. ACKNOWLEDGEMENTS AND RECOGNITIONS

4. COMMENTS FROM THE PUBLIC

- A. Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

5. NEW BUSINESS

- A. Bid Opening - Wastewater Treatment Plant Influent Headworks Improvements
- B. Request to Approve Minutes
1. Regular Meeting #13 dated July 21, 2025
 2. Work Session dated July 29, 2025
- C. Acknowledgement of Standing Committee Draft Agenda
1. Recreation and Parks Committee - August 21
- D. Continued Discussion of the Beach Photographers Franchise presented by Franchisee Jonathan Cameron and City Manager Terry McGean
- E. Introduction of FY25 Budget Amendment #2 presented by Budget and Management Director Jennie Knapp

6. ADJOURN



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 2.A
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Closed Session Notice and Report
DATE: August 4, 2025

ISSUE(S): Closed Session Notice and Report

SUMMARY: A Mayor and Council closed session is scheduled for Tuesday, August 12, 2025, at 11:45 AM to discuss legal and personnel matters.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. Closed Session Notice 8.12.25.doc
3. Closed Session Report 8.12.25.doc

NOTICE OF CLOSED SESSION OF MAYOR & CITY COUNCIL OF OCEAN CITY

AUTHORITY: State Government General Provisions Article: § 3-305(b)

DATE AND TIME:	Tuesday, August 12, 2025	11:45 AM – 1:00 PM
PLACE:	City Hall	
SUBJECT:	Legal and Personnel Matters	
VOTE:	UNANIMOUS	
	OTHER:	FOR: _____
		AGAINST: _____
		ABSTAIN: _____
		ABSENT: _____

PURPOSES:

X	1. To discuss: (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees or officials over whom it has jurisdiction; or (ii) any other personnel matter that affects one or more specific individuals;
	2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business
	3. To consider the acquisition of real property for the public purpose and matters directly related thereto;
	4. Consider a matter that concerns the proposal for a business or industrial organization to locate, expand or locate in the state;
	5. Consider the investment of public funds;
	6. Consider the marketing of public securities;
X	7. Consult with counsel to obtain legal advice;
	8. Consult with staff, consultants or other individuals about pending or potential litigations;
	9. Conduct collective bargaining negotiations or consider matters that relate to the negotiations;
	10. Discuss public security if the public body determines that public discussion would constitute a risk to the public or public security, including; a) the deployment of fire and police services and staff; and b) the development and implementation of emergency plans
	11. Prepare, administer or grade a scholastic, licensing or qualifying examination;
	12. Conduct or discuss an investigative proceeding on actual or possible criminal conduct;
	13. Comply with a specific constitutional, statutory or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
	14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process
	15. To discuss cybersecurity, if the public body determines that public discussion would constitute a risk to: (i) security assessments or deployments relating to information resources technology; (ii) network security information or (iii) deployments or implementation of security personnel, critical infrastructure or security devices.

For each provision checked above, disclosure of the topic to be discussed and the public body's reason for discussing that topic in closed session.

Citation	Topic	Reason for closed session discussion of topic
§3-305(b)1	Board candidate interview	Protect applicant personal data
§3-305(b)7	Pending and potential litigation	Attorney-client privilege

REPORT OF CLOSED SESSION
OF THE MAYOR AND CITY COUNCIL OF OCEAN CITY

Prior to the open session of the Mayor and City Council being held on Tuesday, August 12, 2025, at 1:00 PM, a closed session was held on Tuesday, August 12, 2025, at 11:45 AM at City Hall, 301 N. Baltimore Avenue, Ocean City, Maryland. The following is a report of the closed session.

1. A statement of the time, place, and purpose of the closed session is attached.
2. A record of the vote of each member as to closing the session is attached.
3. A citation of the authority under the law for closing the session is attached.
4. (a) Topics of Discussion: Legal and Personnel Matters

(b) Persons present:

Mayor Rick Meehan
City Manager Terry McGean
Deputy City Manager J.R. Harmon
Council President Matt James
Council Secretary Tony DeLuca
Council Members: Will Savage III, Larry Yates, John Gehrig, Jake Mitrecic,
Carol Proctor
City Clerk Diana Chavis
City Solicitor Heather Stansbury
Legal Counsel Bruce Bright
Risk Manager Kathy Keyes
Planning and Zoning Commission Candidate

Action(s) taken:

Motion to close meeting:

End Time:



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 4.A
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Public Comments
DATE: August 4, 2025

ISSUE(S): Comments from the Public

SUMMARY: Any person who may wish to speak on a matter scheduled for discussion on the Work Session Agenda may be heard during Comments from the Public for a period of three (3) minutes or such time as may be deemed appropriate by the Council President. Anyone wishing to be heard shall state their name, address and the Agenda item on which he or she wishes to speak.

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): None



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.A
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Hal Adkins, Director of Public Works
RE: Wastewater Treatment Plant - Bid Opening
Influent Headworks Improvements: WR/OC-234
DATE: August 5, 2025

ISSUE(S): Replacement of portions of the Wastewater Treatment Plant that were initially constructed starting in 1967 and were brought "online" with the opening of the Wastewater Treatment Plant in March of 1969.

SUMMARY: The Wastewater Treatment Plant located at 64th Street was originally built in the late 1960's. Portions of the Plant have now met their life expectancy and are in desperate need of replacement. The Scope of the project consists of construction of a new Influent Pump Station, Headworks Facility, Mechanical and Electrical Equipment Upgrades, with all associated Support Systems, site work, and original facility demolition.

FISCAL IMPACT: To be bonded in the fall of 2025 based on review and award of the lowest responsive Bid. Debt payments are/will be covered by the ratepayers of the wastewater system.

RECOMMENDATION: Acknowledge firm names making submission and remand Bids to staff for opening and review by Whitman, Requardt and Associates, the Design Engineers.



Revitalized Ocean City: Development and Redevelopment

ALTERNATIVES: None suggested due to the importance of this critical infrastructure for the viability of Ocean City.

RESPONSIBLE STAFF: Hal O. Adkins, Public Works Director

COORDINATED WITH: Chuck Bireley, Finance Director; Dean Dashiell, Senior Project Manager; Robert McClean, Whitman Requardt and Associates

ATTACHMENT(S): 2. Bidder List (002).pdf



Town of Ocean City Department of Public Works WWTP Secondary
Clarifier Improvements Bidder List

	Company	Address	Phone/Fax	Contact Name
1.	Bearing Construction Inc.	805 Shine Smith Rd. Sudlersville, MD 21668	(410) 556-6100	Jamie Yoder jamie@bearingconstruction.net Jim Merrell jim@bearingconstruction.net
2.	George & Lynch, Inc.	150 Lafferty Ln Dover, DE 19901	(302) 736-3031	Derek Jones djones@geolyn.com
3.	Harkins Contracting, Inc	31400 Winterplace Parkway Suite 400 Salisbury, MD 21804	410-749-3300	David Strauss dstrauss@harkinscontracting.co m
4.	Johnston Construction Company	4331 Fox Run Road Dover, PA 17315	(717) 292-3606	Trey Johnston tj@jcc-ri.com bids@jcc-ri.com
5.	M2 Construction	901 Stony Battery Road Landisville, PA 17538	717-305-8801	Andrew Mattson Andrew@M2ConstructionLLC.co m
6.	ACE Inc	10330 Old Columbia Rd #102, Columbia, MD 21046	(301) 490-9100	Corey McCarthy Corey.mccarthy@aceservinc.co m
7.	M. F. Ronca	899 Morgantown Rd, Reading, PA 19607	(610) 236-0494	Alyssa Huber ahuber@mfronca.com



TOWN OF OCEAN CITY

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Agenda Item # 5.B
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Mayor and City Council Minutes
DATE: August 4, 2025

ISSUE(S): Request to Approve Minutes

SUMMARY: 1. Regular Meeting #13 dated July 21, 2025
2. Work Session dated July 29, 2025

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Approve minutes.



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ALTERNATIVES: Advise of necessary modifications.

RESPONSIBLE STAFF: City Clerk Diana L. Chavis, MMC

COORDINATED WITH: Deputy City Clerk Jessica D. Cropper, CMC

ATTACHMENT(S): None



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.C
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Diana Chavis, City Clerk, MMC
RE: Standing Committee Draft Agenda
DATE: August 4, 2025

ISSUE(S): Acknowledgement of Standing Committee Draft Agenda

SUMMARY: 1. Recreation and Parks Committee - August 21 - 1:00 PM at Eagle's Landing Golf Course

FISCAL IMPACT: Not Applicable

RECOMMENDATION: Not Applicable



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ALTERNATIVES: Not Applicable

RESPONSIBLE STAFF: Not Applicable

COORDINATED WITH: Not Applicable

ATTACHMENT(S): 1. 2025-08-21 Recreation and Parks Committee Agenda.doc

**OCEAN CITY, MARYLAND
RECREATION & PARKS COMMITTEE**

Thursday, August 21, 2025

Eagles Landing Golf Course

1:00 p.m.

AGENDA

Our Values: Professionalism, Accountability, Inclusivity, Health & Wellness, and Fun!

Our Mission: To enhance the quality of life for our Ocean City residents and visitors by offering safe, fun, and inclusive parks and recreation opportunities

1. Call to Order
2. Projects Updates
3. CIP Discussion: Ocean City Racquet Center Project
4. Northside Park Mural review and approval
5. Summary of Operational Updates
6. Other Business from Committee or Department
7. Adjourn

Part of the meeting may be closed to the public in accordance with the Open Meetings Act.

July 31, 2025



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.D
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
FROM: Terence J. McGean, PE, City Manager
RE: Beach Photographers Franchise
DATE: July 9, 2025

ISSUE(S): Beach Photographers Franchise

SUMMARY:

In December 2018, Mr. Cameron was the sole bidder for one of the two franchises. The Mayor and Council awarded the 4-year contract at \$152,500 per year for a total investment of \$610,000.

In early summer 2019, Mr. Cameron expressed interest in the second franchise, and presented an unsolicited bid for a 4-year contract at \$76,250 per year. The Mayor and Council agreed to a summer contract at \$40,000 and continue the franchise discussion at a fall work session.

In August 2019, Mr. Cameron reiterated his interest in the second franchise at \$76,250. In September 2019, the Mayor and Council approved:

- 1) The unsolicited bid of \$76,250 was accepted.
- 2) The Beach Photo Franchise structure was changed from a two-franchise system to one franchise system;
- 3) The franchise minimum bid requirement was changed from \$300,000 to \$225,000.

Technology changes that have profoundly challenged the telescope picture business. To help with challenges, in September 2023, the Mayor and Council:

- 1) Altered the payment structure for the second-term from 50%/25%/25% to 10%/30%/30%; and
- 2) eliminated the second-term 10% increase. The current contract now expires November 30, 2027.

In June 2025, a payment extension was granted with 30% due July 9, August 5 and September 9 rather than June 15, July 15 and July 30. A total of \$91,500.01 has been received to date. The July 9 payment of \$68,625.01 was received July 8.

The Cameron's continue to struggles with lower demand and higher labor costs. At the July 15, 2025, Work Session, three

staff recommendations were made to the Council:

- 1) Reduce the annual payment amount to \$152,500 thus, eliminating the unsolicited bid amount of \$76,250 for the second franchise that received no bid;
- 2) A 3-year contract extension (expire November 2030);
- 3) Collaboration with our Tourism Department (i.e.: brand telescope products with the Town logo or other sponsorship ideas).

After discussion, Council asked that staff and tourism meet with the Camerons to come up with a revised franchise payment that incorporates the brand sponsorship benefits, rather than have those as a separate agreement.

Staff subsequently met with the Camerons and the recommendation is to reduce the franchise fee to \$114,475 per year effective starting 2025 and in exchange all telescope products (scopes, keychains, Christmas ornaments, etc) will include the Ocean City brand and tourism web address. These changes must be accomplished through ordinance changes and a revised agreement.

FISCAL IMPACT: Current agreement: \$228,750.02/year; Total investment of \$838,750.08.

RECOMMENDATION: Direct the City Attorney to draft the necessary ordinance to amend the existing Beach Photo Franchise Ordinance to allow the Council the ability to:

- 1) Reduce the annual franchise payment to \$114,475;
- 2) Grant a 3-year contract extension (November 2030);
- 3) Require franchisee to brand all photo products including but not limited to telescopes, key chains, and ornaments with City logo and web address.

Further direct the City Attorney to prepare a new Beach Photo Franchise Agreement consistent with the above stated terms.



1st Class Resort and Tourist Destination

ALTERNATIVES: Defer to Mayor and Council

RESPONSIBLE STAFF: City Manager Terry McGean
City Clerk Diana Chavis

COORDINATED WITH: City Solicitor Heather Stansbury
Tourism and Development Director Tom Perlozzo

ATTACHMENT(S): 1. 2024 -2027 Beach Photo Franchise Agreement HS.docx
2. Article III. Beach Photographers.pdf



BEACH PHOTOTOGRAPHERS FRANCHISE SECOND TERM (2024-2027) AGREEMENT

THIS FRANCHISE AGREEMENT made this **15th** day of **December, 2023**, between the Mayor and City Council of Ocean City, a Maryland municipal corporation, hereinafter called and referred to as "City" and Jonathon V. Cameron, hereafter called and referred to as "Operator" extends the Beach Photo Franchise Agreement (hereinafter "Franchise Agreement") for a second term pursuant to the terms and conditions set forth below.

WITNESSED:

The original first-term of the Franchise Agreement with the Operator began pursuant to the Franchise Agreement dated September 30, 2019, and at that time the initial term terminated on November 30, 2022;

Subsequent to the September 30, 2019, Franchise Agreement, the Operator and the City entered into an Amended Franchise Agreement dated January 1, 2021, causing the payment structure to adjust and the initial term of the Franchise Agreement to terminate November 30, 2023;

In 2023, the Operator timely exercised his option to renew the Franchise Agreement for a second term (4 years) and requested an adjustment in the payment amount and schedule;

On September 12, 2023, the Mayor and Council unanimously voted to approve an amended payment schedule and eliminate the 10% increase for the second-term Franchise Agreement.

For and in consideration of the premises, and of the rights herein this agreement granted, and of the sums of money herein this agreement stated, the City and the Operator do hereby covenant and agree as follows:

THAT THE CITY AGREES:

1. The Operator shall have the right to operate a beach telescopic or still picture business subject to the terms and conditions hereinafter stated, on the public beach of Ocean City for a term commencing with the date hereof and terminating on the **30th** day of **November 2027**.
2. So long as the Operator performs as herein stated and pays the sums hereinafter in this Agreement specified when said sums are due and conducts his business in accordance with the terms of this Franchise Agreement and in accordance with the provisions of Chapter 39, Article III, Code of the Town of Ocean City (said Chapter 39, Article III hereby being incorporated by reference)(hereinafter "Code"), the City will not grant another person the right to operate the Beach Photography Franchise on the public beach.

THAT THE OPERATOR AGREES:

1. To pay the annual franchise fee of **\$228,750.02** as outlined herein and to pay the total sum of **\$838,750.08**, for the term of this Agreement.

Each year, for years 2024, 2025, 2026 and 2027:

10% by January 1 (\$22,875.00);

30% by June 15 (\$68,625.01);

30% by June 30 (\$68,625.01); and

30% by July 15 (\$68,625.00).

2. To comply with all the provisions and conditions of Chapter 39, Article III of the Code and the resolutions and/or decisions adopted by the Beach Mediation Board or the City in the mediation of disputes. The Operator, by entering into this agreement hereby acknowledges that he has knowledge of aforesaid Chapter 39 and hereby expressly waives any and all rights or defenses he might now have or hereafter acquire by reason of the Operator not having read or understood the aforesaid Chapter 39.
3. To indemnify, protect and hold harmless the City (its elected officials, employees, agents, and assigns) from all damage and loss from or arising out of or by reason of the negligence of the Operator, his agents or employees, and provide the insurance required under Section 39-56. Proof of said insurance shall be submitted at the time the Operator executes this Agreement.
4. The Operator shall conduct the business of beach photography and shall conduct no other business under the rights granted by this Agreement.
5. The Operator shall permit no more than thirty (30) photographers to operate on the beach at any one time. The Operator shall not permit any other uniformed employees in the scope of their employment to be on the beach at any times other than the thirty (30) photographers.
6. The Operator is not affiliated in any manner with any other person, partnership, corporation, limited liability company or other Maryland authorized legal entity except as disclosed on the original bid application.
7. Should there be any change in finances or should business relationships differ from information provided herein or as documented on the original bid application, same will be immediately reported to the Mayor and Council.
8. No alcoholic beverages or illegal use of drugs, mind-altering substances, including but limited to any form of cannabis, will be permitted, consumed or kept, on their persons, photography bags or at the processing facilities.
9. The Operator must maintain processing facilities within the corporate limits of Ocean City.
10. The Operator must comply with all Town, County, State and Federal laws and regulations.
11. The City has not designated the limits of Private Beach property and that the Operator hereby assumes the responsibility for trespass, if any, on private property. The Operator shall not operate on an Private Beach Property.
12. The Operator shall be solely responsible for any losses incurred as a result of any Acts of God or interruption of service due to the Beach Replenishment Plan. Acts

- of God shall include but not be limited to: beach erosion, wind, rain or other adverse weather, fire, earthquake, oil spills or oil on the beaches, etc.
13. The terms and provisions of any other franchise agreement and negotiations on the price or payments or negotiations in reference to the default of provisions of any other agreement shall have no effect on this Franchise Agreement.
14. The Operator, by entering into this Agreement, understands and agrees that the Town of Ocean City maintains sole authority over the use of the beach and, from time-to-time, may approve use of the beach for special events or private events and that the approval of events may impact the Operator and/or prevent the Operator from conducting business. Operator further agrees that the potential and real impact of said Town-permitted events is a condition of doing business with the Town of Ocean City, said potential events shall be anticipated and the Operator shall hold the Town, Mayor and City Council harmless with no cause for action toward reduction of Town fees and charges or lost revenue.

AS WITNESS the hand and seal of the Operator and witness the hands of the Mayor and President of the City Council, with the corporate seal of the municipality affixed hereto as of the day and year first above written.

ATTEST:

ON BEHALF OF:

Mayor and City Council, Town of Ocean City

Diana L. Chavis, MMC, City Clerk

Terence J. McGean, PE, City Manager

WITNESS:

OPERATOR:

Jonathon V. Cameron

ARTICLE III. - BEACH PHOTOGRAPHERS

Sec. 39-51. - Title.

This article shall be known as the "Beach Photographer's Franchise Ordinance."

(Code 1972, § 26A-1; Code 1999, § 39-51)

Sec. 39-52. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Annual bid price means the amount of the bid divided by the number of years of the term.

Franchise means the exclusive and sole right to operate a beach telescopic or still picture, but not video or moving picture, business, subject to the provisions of this article.

Franchise fee means the yearly sum bid by any respective operator.

Mediation board means the board created under the provisions of article II of this chapter.

Operator means the owner of the franchise, who shall be one or more individuals, a partnership, a corporation, a limited liability company or other state authorized legal entity. Each individual, partner, stockholder or member of said legal entity shall provide references, acknowledge and sign the BID form pursuant to subsection 39-53(4), which shall constitute the personal guaranty of the individual, partner, stockholder or member. In the event of an assignment or change of individuals, partners, stockholders or members, each new person shall provide references and acknowledge and sign the BID form, which shall constitute their personal guaranty.

Photographer means an employee of the operator, or the operator, who is employed in taking telescopic or still photographs on the beach for the purpose of selling to another telescopic or still photographs.

Reference means credit and bank references, as required in this article. The reference reports are hereby declared to be privileged and confidential, and not subject to public inspection pursuant to Ann. Code of Md., State Government article, §§ 10-615(1) and 10-617(d)(3).

System means the beach photographer's franchise system.

(Code 1972, § 26A-2; Code 1999, § 39-52; Ord. No. 1999-8, 3-15-1999; Ord. No. 2003-1, 1-21-2003; Ord. No. 2019-17, 11-4-2019)

Sec. 39-53. - System established; franchise conditions.

There is established and created the beach photographer's franchise system of Ocean City. Such system is established as follows:

- (1) *Limitations.* The system shall consist of one franchise only. The operator shall be limited to a maximum of 30 photographers on the beach at any one time. The operator shall not permit any other uniformed employees, in the scope of their employment, to be on the beach at any times other than the 30 photographers. The operator shall be limited to the beach. No photographers shall take or sell pictures on any public property or way other than the beach without the express consent of the Mayor and City Council of Ocean City. The operator shall maintain processing facilities within the corporate limits of Ocean City.
- (2) *Conduct; mediation.* The operator shall require all photographers to wear a clearly discernible designation identifying the franchise operator as a part of such photographer's wearing apparel. No photographer shall harass or insult any beachgoer at any time. The photographers shall not at any time sell any other product or service while on the beach.

All disputes between operators shall be mediated by the beach mediation board created by [section 39-24](#).

(3) *Term of franchise.* The franchise granted under the provisions of this article shall be for a term of four years. Provided the operator is not in default or otherwise in violation of any terms of this article, the operator shall have an option to renew the franchise for one additional four-year term upon the same terms and conditions of the franchise, except that the annual franchise fee shall be ten percent greater than the annual franchise fee for the initial term. If the operator elects to exercise this renewal option, it must be done, in writing, to the city clerk before August 31 of the fourth year of the initial term.

(4) *Bidding and payment of fees.*

a. The franchise shall be obtained by a process and procedure of public bidding, with a minimum bid as determined by the Mayor and City Council of Ocean City. The respective operator or potential operator will obtain a franchise by submitting, pursuant to the advertisement for bids, a sealed bid in an amount not less than the minimum bid.

b. Such bid shall be presented in the form, as follows:

1. \$____ per year, for a total of \$____ for the four-year term of the franchise.

2. The source of my funds for the initial franchise payment tendered is as follows:

Credit references: (applicant shall list at least two with full names, addresses, telephone number and contact person).

Bank reference: (applicant shall list at least one with full name, address, telephone number and contact person).

3. I do hereby agree to and authorize Mayor and City Council of Ocean City to make inquiry of my personal background, financial, credit worthiness, and my credit report; and by my signature hereto, I do hereby authorize and empower those listed above as credit references and bank reference to release to the Mayor and City Council of Ocean City any information pertaining to my personal background, financial and credit worthiness, and for the Mayor and City Council of Ocean City to obtain a copy of my credit report.

4. I do hereby certify that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other bidder or with any competitor.

5. I do hereby certify that that there are no other persons financially interested, direct or indirect, in this BID, except _____.

6. I do hereby solemnly declare (or I hereby affirm) under penalties of perjury that the information and statement above made are true and correct to my knowledge and belief.

7.

" _____ (Name-hand written)	_____ (signature)"
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c. Such bid shall be accompanied by a cashier's or certified check made payable to the Mayor and City Council of Ocean City in the sum of 50 percent of the first year's bid price.

d. The successful bidder's 50 percent shall be retained by the Mayor and City Council of Ocean City. The annual franchise fee shall be paid as follows: the 50 percent balance of the first year's fee shall be paid in equal installments on or before June 30 and July 15; and in subsequent years of the franchise, 50 percent shall be due and payable on or before January 1, 25 percent on or before June 30 and 25 percent on or before July 15 of each year.

- e. The franchise will be awarded to the highest bidder. In the event of tied bids, the franchise will be awarded to the bidder whose bid is first received. The franchise shall not be assignable without prior approval of the Mayor and City Council of Ocean City.
 - f. All bids shall be presented to the Mayor and City Council of Ocean City at the regularly scheduled Council meeting on the first Monday in December of each bid year and shall be opened at such meeting. Bids of the two highest bidders shall be acknowledged at the meeting and referred to the clerk for reference checks. Upon satisfaction with the reference check, the franchise shall be awarded to the highest bidder. If the Council determines that there are irregularities in such bidding or references, the Council may reject such bids as it deems appropriate, award to the next highest bidder with satisfactory reference checks or postpone the awarding of bids if it so desires. In the event of tie bids, the first-in time received shall be deemed the successful bid. In the event of a revocation or other termination of a franchise prior to its normal termination date, the Mayor and City Council of Ocean City may rebid the franchise upon such terms and conditions as it deems in its best interest.
- (5) *Affidavit*. Each bid and the franchisee shall deliver to the clerk, at the time of submittal of the bid and each year thereafter, by no later than January 1, an affidavit in the form as follows:
- I do hereby solemnly declare, or affirm, under penalty of perjury, that all federal, state, county and municipal taxes, for years prior to and through the current tax reporting period, or due date, have been paid.

" _____ (Name-hand written)	_____ (signature)"
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(Code 1972, § 26A-3; Code 1999, § 39-53; Ord. No. 1996-1, 1-30-1996; Ord. No. 1999-8, 3-15-1999; Ord. No. 2003-1, 1-21-2003; Ord. No. 2006-21, 8-21-2006; Ord. No. 2006-28, 10-16-2006; Ord. No. 2007-8, 4-16-2007; Ord. No. 2010-32, 10-26-2010; Ord. No. 2014-6, 4-7-2014; Ord. No. 2018-17, 1-7-2019; Ord. No. 2019-17, 11-4-2019)

Sec. 39-54. - Mediation of disputes and hearing of complaints.

The beach mediation board created by article II of this chapter shall mediate all disputes between operators. In addition, it shall be empowered to hear any other complaints coming from other sources in respect to the operators' methods. In the event that it is unable to mediate and/or reconcile the complaints or disputes, it may make a report and/or recommendation to the Mayor and City Council of Ocean City, which may undertake further action in regards to the dispute or complaint.

(Code 1972, § 26A-4; Code 1999, § 39-54; Ord. No. 2019-17, 11-4-2019)

Sec. 39-55. - Termination or revocation of franchise.

- (a) The franchise shall terminate at the expiration of its four-year term unless extended pursuant to this article.
- (b) The franchise shall be immediately revoked upon the nonpayment of the franchise fees when due, with no pro rata adjustment of any payments previously made, unless prior to the due date the franchisee requests, in writing, to the Mayor and City Council of Ocean City and the city manager for an extension of time, which after a hearing thereon and good cause shown, the Mayor and City Council of Ocean City, at their sole discretion may grant. In the event of a grant of an extension, the Mayor and City Council of Ocean City may impose liquidated damages, as it deems appropriate, to offset expenses and lost interest on unreceived funds, but in no event less than 1½ percent of the unpaid fee per month, with any portion of a month being considered a full month.
- (c)

The franchise may be immediately revoked if the Mayor and City Council of Ocean City determines that the operator is utilizing more than 30 photographers at any one time or has violated any other provision of this article, in which event there shall be no pro rata adjustment of any payments previously made.

- (d) The franchise shall be immediately revoked, after a hearing thereon, upon a determination that a franchisee has made a false statement in the bid submitted pursuant to this article.
- (e) Notwithstanding any provision of this Article, upon extraordinary circumstances and for good cause shown, the Mayor and City Council of Ocean City, in its sole discretion, may grant relief as it deems appropriate pertaining to the term, the payment structure and/or the assessment of interest or penalties on payments of this franchise.

(Code 1972, § 26A-5; Code 1999, § 39-55; Ord. No. 1999-8, 3-15-1999; Ord. No. 2003-1, 1-21-2003; Ord. No. 2018-17, 1-7-2019; Ord. No. 2019-17, 11-4-2019; Ord. No. 2021-02, 2-16-2021)

Sec. 39-56. - Insurance.

For the protection of the public and the Mayor and City Council of Ocean City, operators must obtain, at the operator's own expense, comprehensive general liability insurance coverage, which insurance coverage shall include coverage for personal injury, including, but not limited to, libel, slander and invasion of privacy, and which insurance coverage shall be at least in the amount of \$1,000,000.00 combined single limit. Such insurance coverage shall name the Mayor and City Council of Ocean City as additional insured, and a certificate of insurance evidencing such coverage shall be furnished the Mayor and City Council of Ocean City by the operator and be approved by the Ocean City clerk before the operator engages in the selling/taking of photographs on the beach.

(Code 1972, § 26A-5.1; Code 1999, § 39-56; Ord. No. 1996-1, 1-30-1996; Ord. No. 2019-17, 11-4-2019)

Sec. 39-57. - Prohibited acts.

- (a) The violation of any provision, term, rule, regulation or condition of this article is prohibited.
- (b) No one, other than a franchise operator or their employees, shall take photographs for a fee or a charge on the beaches or any other public property or way within the corporate limits of Ocean City. Anyone so taking such photographs shall be committing a prohibited act.

(Code 1972, § 26A-6; Code 1999, § 39-57; Ord. No. 2019-17, 11-4-2019)

Secs. 39-58—39-200. - Reserved.



TOWN OF OCEAN CITY

The White Marlin Capital of the World

Agenda Item # 5.E
Council Meeting August 12, 2025

TO: The Honorable Mayor, Council President and Members of Council
THRU: Terence J. McGean, PE, City Manager
FROM: Jennie Knapp, Budget and Management Director
RE: Introduction of FY 25 Budget Amendment # 2
DATE: August 5, 2025

ISSUE(S): Introduction of FY 25 Budget Amendment # 2

SUMMARY: The second budget amendment of the year recognizes additional revenue received since Budget Amendment # 1, adjusts revenue estimates for fiscal year-end and recognizes any action taken by the Council since the first budget amendment. Grants, donations and interest on investments increased \$2 million. Room License fees increased \$883,630 due to a restructuring of fees. Estimated Amusement Tax increased \$667,063. Building Permits, Service Charges, parking revenue and property tax revenue increased \$1.2 million. The Town's advertising budget was increased \$236,807 to recognize the State Tourism grant and a grant for the Martin Luther King weekend event. Deferred ticket revenue was used to offset \$353,500 of expenses.

Other expense increases include legal and consulting fees for the offshore wind campaign, \$365,000; participation in the County offshore wind campaign, \$100,000; Beach Patrol part-time salary and overtime increases, \$240,617; EMS expenses, \$158,617, and the Cruisin' sponsorship, \$150,000.

Transfers to other funds increased for Transportation, Convention Center and Capital Projects. The transfer to Transportation increased \$317,063 to complete the reduction of Tram operating revenue and expenses and to cover bus maintenance costs over the estimated amount. Deferred ticket revenue was transferred to the Convention Center Fund to offset the expenses of an exterior lighting project. Funds allocated in FY 25 in the Public Works and Recreation operating budgets for Inlet Lot light replacement and paving at Northside Park were transferred to the Capital Projects Fund. Revenue reductions have been accounted for in the Water and Airport Funds. Bond proceeds for the Golf Course clubhouse renovation have been added to the budget. Estimated revenue from vehicle sales has been recognized and transferred to reserves in the Vehicle Trust Fund.

FISCAL IMPACT: The estimated amount required from prior year reserves (fund

balance) decreases from \$6,745,099 to \$3,343,478. General Fund revenue estimates from multiple revenue sources and savings in Public Safety and Public Works' departments offset anticipated use of fund balance. The exact amount of fund balance required for the FY 25 budget will be reported in the Town's annual financial report and presented by the Finance Director after the annual audit.

RECOMMENDATION: Move ordinance to first reading on August 18, 2025.



Financially Sound Town Government

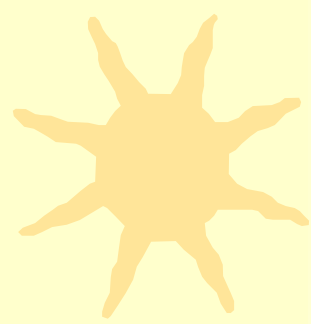
ALTERNATIVES: Make further changes to the FY 25 Budget Amendment.

RESPONSIBLE STAFF: Jennie Knapp, Director of Budget and Management

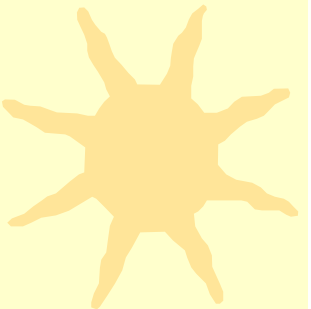
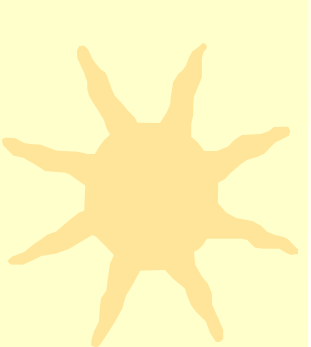
COORDINATED WITH: Not Applicable

ATTACHMENT(S):

1. FY 25 BA 2 Power point.pdf
2. FY 25 BA 2 Changes.pdf
3. 25 BA 2 Ordinance.pdf



TOWN OF OCEAN CITY



BUDGET AMENDMENT # 2



INFORMATION TECHNOLOGY

- ★ Savings in operational supplies and equipment maintenance were used to offset:
 - Increased cost of health insurance resulting from change in coverage
 - Full-time salaries, retirement and overtime
 - Reduction in estimated amount of IT fund balance to cover prior year purchase orders



PURCHASING/SERVICE CENTER

- ★ Reduction in estimated revenue from fuel sales and mechanic labor charges, (421,574)
- ★ Increase in estimated revenue from parts and supplies, \$157,212
- ★ Increase in amount of Service Center fund balance used, \$263,883
- ★ Line item adjustments reducing personnel expenses and increasing operating costs, \$38,201
 - Adjustments to purchases for resale for fuel and parts
 - Vehicle lift maintenance cost over budgeted amount



VEHICLE TRUST

★ Revenue:

- Increased estimated revenue from sale of assets (Govdeals.com), \$110,856
- Reduced estimate for cell tower antenna rental, (\$8,158)

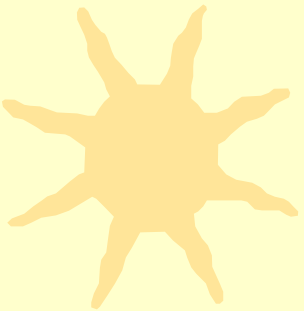
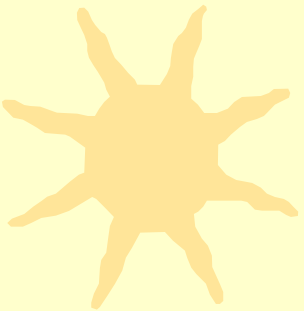
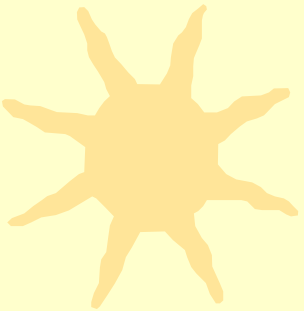
★ Expenses:

- Increased Transfer to Reserves for future vehicle purchases, \$106,762
- Increased estimate for vehicle fees, \$4,094
- Reduced estimate for radio maintenance, (\$8,158)



RISK MANAGEMENT

- ★ Insurance expenses, (\$7,271)
- ★ Other expense adjustments, (\$1,478)
- ★ Increase in salary and benefit expenses, \$8,749





WATER FUND

★ Revenue:

- Reduction in estimate for metered usage charges, (\$500,000).
- Water Fund Balance used to offset above, \$500,000
- Increase in estimated connection fees, \$29,000

★ Expenses:

- 33rd street well re-line, \$43,645
- Distribution system supplies, \$39,795
- Energy, \$25,000
- Reduction in salary and benefit accounts, (\$79,440)

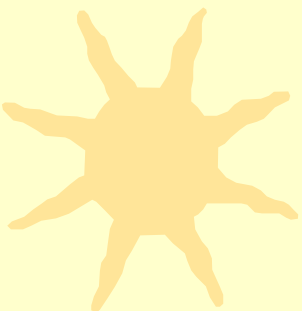
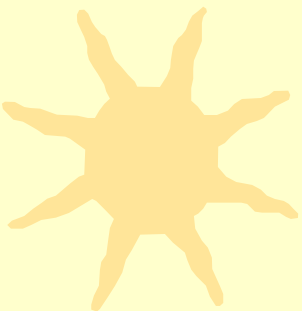
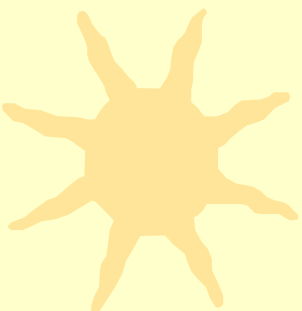


WASTEWATER

★ Revenue: No change

★ Expenses:

- 30,000 Increased overtime
- (20,000) Building maintenance
- (10,000) Tipping Fees





TRANSPORTATION

- ★ Tram Division: \$204,063 Transfer from General Fund
 - (\$126,449) Tram passenger revenue
 - \$52,614 Tram expenses
 - \$25,000 Tram consultant
- ★ Bus Division: \$113,000 Transfer from General Fund
 - \$115,935 increased vehicle fuel and maintenance
 - \$66,501 vehicle insurance claim
 - \$62,189 Part-time driver salaries and unemployment
 - Offset by the following revenue adjustments:
 - \$66,501 insurance reimbursement
 - \$65,124 bus division revenue



AIRPORT

- ★ Reduced revenue estimates (\$103,553) which were offset by concrete crushing and fuel purchase expense reductions (\$103,553)
- ★ Recognized \$15,000 private contribution to offset underground cable legal fees



GOLF COURSE FUND

- ★ Bond proceeds-\$1,235,675 for Clubhouse renovation project
- ★ Estimated Transfer to Reserves reduced to cover the following:
 - \$58,679 Tidal flooding project expenses
 - \$11,000 Clubhouse sprinkler system
- ★ Operational expense reductions, \$21,800 transferred to Clubhouse renovation project to cover change orders

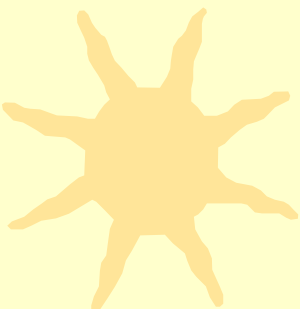
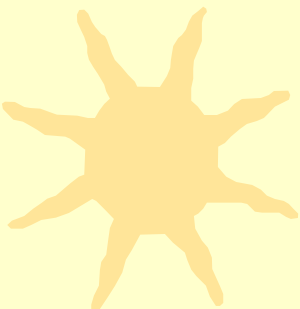
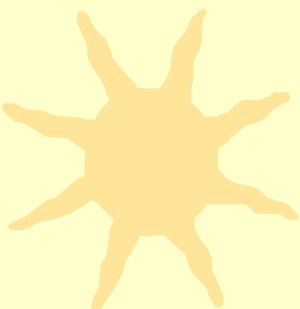


CONVENTION CENTER FUND

- ★ Deferred Ticket Revenue transferred from General Fund for exterior lighting project, \$171,875
- ★ Increased Service Charge revenue to offset cost of café tables/chairs and electronic marquee repair, \$54,284
- ★ Increased estimate for Food and Beverage Tax and interest on Food Tax, \$126,000. This amount increases the Transfer to Reserves line item for future debt service payments
- ★ Increased Service Charge revenue to offset continuation of “Refresh” project, \$60,850, and Maintenance division expenses, \$22,984
- ★ Reduced Estimated use of Prior Year Reserves, (54,284)



GENERAL FUND OVERVIEW



- ★ Overall increase of General Fund budget of \$1,533,259.
- ★ Recognizing revenue that will exceed the budgeted amount
- ★ Grants, donations and interest
- ★ Reduction of Prior year reserves (Fund balance)
 - Budget Amendment # 1, an estimated \$6,745,009 from fund balance
 - Budget Amendment # 2 reduces the estimate to \$3,343,478



REVENUE SOURCES THAT INCREASED

★ Interest on Investments	1,067,857
★ Grants, donations, insurance	942,578
★ Room Licenses	883,630
★ Amusement Tax	667,063
★ Service Charges (Fees)	383,658
★ Deferred Ticket Revenue	353,500
★ Parking Revenue and Fines	300,020
★ Building Permits	287,000
★ Property & Other Taxes	<u>266,535</u>
★ Total Changes	5,151,841



REVENUE UNDER BUDGET ESTIMATE

★ Reduction in amount estimated from Prior Year reserves (Fund Balance) (\$3,401,621)

– Increase other General Fund revenue:	\$2,325,000
– Public Safety savings:	556,330
– Public Works savings:	329,700
– Little Salisbury Park:	<u>235,891</u>

Total:	\$3,446,921
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★ Rentalscape Monitoring Service Fee: (\$45,300)

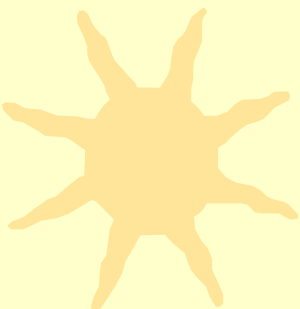
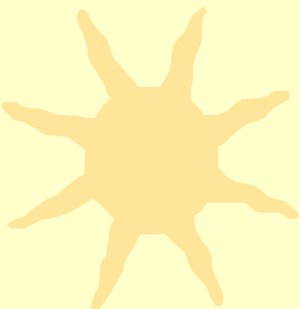
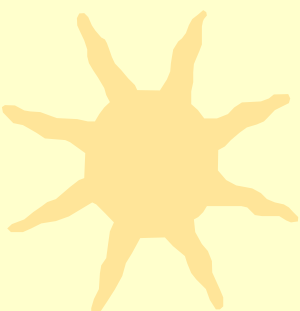


ROOM TAX – BA # 2

- ★ Estimate remains at \$25,000,000
 - \$21,211,655 collected through May 2025
 - \$ 3,874,414 collected in June 2024
- ★ If the same amount is collected in June 2025, revenue will slightly exceed budget
- ★ Through May, Room Tax is 1.43% under FY 24 actual
- ★ If that trend continues through June, the amount collected would also slightly exceed \$25,000,000



EXPENDITURE INCREASES

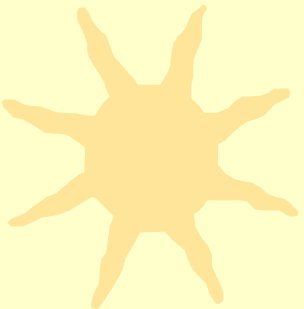
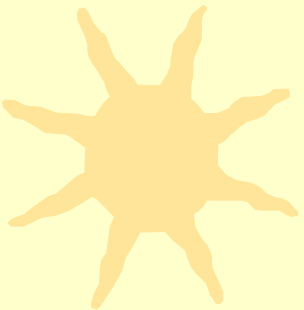
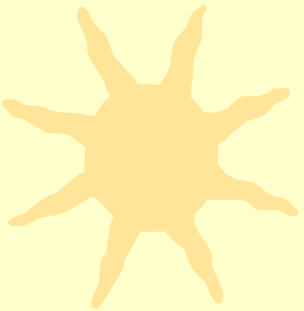


★ Grants, donations, insurance	\$720,161
★ Legal Fees and Wind Consultant	365,000
★ Deferred Ticket Revenue	353,500
★ Transfer to Transportation	317,063
★ Beach Patrol Part-time and overtime	240,617
★ State Tourism Grant	222,417
★ EMS expenses	158,617
★ Cruisin' sponsorship	150,000
★ County wind campaign	100,000
★ Other Expense Increases	<u>91,766</u>
Total Expense Increases:	\$2,719,141



EXPENSE REDUCTIONS

- ★ Public Safety savings (\$556,330)
- ★ Public Works savings (\$329,700)
- ★ Little Salisbury Park (\$235,891)
- ★ Springfest/Winterfest expense reductions: (\$63,961)





DEFERRED TICKET REVENUE

★ Balance at 6/30/2024: \$164,573.92

★ Additions:

- C3: \$156,308
- Country's Calling: 138,458
- Boardwalk Rock: 312,570
- Other concerts: 17,373.98

★ Balance after additions: \$789,283.90



DEFERRED TICKET REVENUE

★ Balance after additions: \$789,283.90

★ Uses:

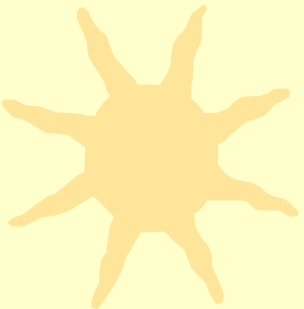
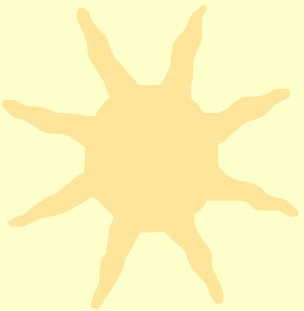
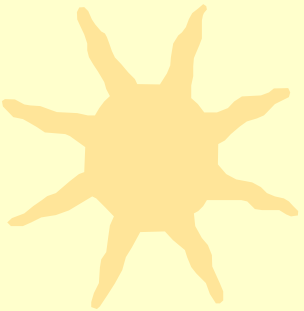
- Convention Center lighting: \$171,875
- Boardwalk Rock security: 100,000
- Winterfest trackless train: 42,975
- Boardwalk Smile sign: 38,650
- Winterfest display: 7,038

★ Balance at 6/30/25: \$428,745.90



CAPITAL PROJECTS

★ Inlet Lot light replacement	\$ 70,000
★ Northside Park paving project	\$ 58,000
Total Increase	\$ 128,000



Changes Since Budget Amendment # 2

General Fund Revenue:

Property Taxes	76,535	40,000 Corporation Tax; 36,535 Property taxes
Other Taxes	857,063	667,063 Admissions Tax; 130,000 Highway User Tax 60,000 Income Tax
Licenses and Permits	1,125,630	1,109,380 Room Licenses; 287,000 P&Z fees; (215,750) Noise Permits; (45,000) Cable TV franchise; (10,000) Business Licenses
Revenue From Other Agencies	685,511	222,417 State Advertising grant; 179,857 Fire PPE grant; 124,613 State grants for concerts; 124,087 Public Safety grants; 34,537 Worcester County grants
Service Charges	739,197	353,500 Tourism Deferred Revenue; 174,000 Parking; 192,530 Recreation; 118,186 Medicaid; 28,260 Solid Waste 20,788 Private Event; 14,262 Emergency Medical; 9,632 Sponsorships; (69,000) Photo franchise; (63,961) Springfest; (39,000) Tourism division "sales other"
Fines and Forfeitures	126,020	154,000 Parking fines; 15,020 Police forfeiture funds; (43,000) tow fines
Other Revenue	1,324,924	1,067,857 Investment interest; 125,211 County ARPA funds to repair fire engine rust; 50,715 Boardwalk bench donations; 33,254 Miscellaneous revenue; 19,994 Paramedic 16,741 Insurance reimbursement; 11,152 Donations
Prior Year Reserves	(3,401,621)	45,300 Rentalscape Monitoring Service; (2,325,000) Increase other General Fund revenue estimates; (556,330) Public Safety savings; (329,700) Public Works savings; (235,891) Little Salisbury Park;
	<u>1,533,259</u>	

General Fund Expenses:

General Government	576,835	320,000 Legal Fees (164,310 Wind + 121,960 General legal + 33,730 other legal); 45,000 Wind consultant; 45,300 Rental monitoring service; 100,000 County Wind campaign; 40,000 Transfer from Building to P&Z; 26,000 Credit Card fees; 10,000 Cricket Center appropriation increase; 8,170 Unemployment; 2,365 Other; (20,000 savings in P&Z)
Public Safety	121,079	179,857 Fire PPE grant; 158,617 EMS expenses (offset by Medicaid, ambulance revenue and County EMS grant); 125,211 County ARPA funds for engine rust repair; 115,630 Building software upfront costs; 97,918 Public Safety grants; 21,421 Inauguration reimbursement; 19,994 Paramedic foundation reimbursement; 16,741 insurance reimbursement for damage to garage door; 15,020 forfeiture funds; 10,000 FSU ballistic vests; (556,330) savings; (43,000 towing expense); (40,000) Transfer to P&Z
Public Works/ Beach Maintenance	110,420	129,665 Transfer from Highways & Streets division; 50,715 boardwalk bench donations; 38,650 Boardwalk smile sign (Deferred ticket revenue); 1,890 donations; (110,500) departmental savings
Sanitation and Waste Removal	(48,740)	135,453 Vehicle fuel and maintenance; (160,000) Reworld (waste to energy) expenses; (24,193) salaries and benefits
Highways and Streets	(354,265)	4,600 Bike Light donations; (159,200) departmental savings;

		(129,665) Transfer to General Public Works division; (70,000) Inlet lot light replacement funds transferred to capital projects
Economic Development - Tourism	493,104	222,417 State Tourism grant; 150,000 Cruisin' sponsorship; 100,000 Boardwalk Rock security; 42,975 Winterfest trackless train; 20,788 Special Event division expenses; 14,390 MLK weekend expenses; 6,495 Character breakfast expenses; (63,961) Springfest/Winterfest expenses to offset Springfest revenue reduction.
Culture and Recreation	17,888	240,617 additional funding for Beach Patrol part-time and overtime; 40,000 additional Parks maintenance projects; 14,230 donations; 9,632 sponsorships; 7,300 concession supplies; (235,891) Little Salisbury Park renovation; (58,000) Paving project funds transferred to capital projects
Transfer to Transportation	317,063	204,063 Reduce Tram revenue and cover Tram expenses; 113,000 Increase bus maintenance expenses
Transfer to Convention Center	171,875	Special Event deferred revenue for exterior lighting project
Transfer to Capital Projects	128,000	70,000 Inlet lot light replacement; 58,000 Northside Park paving project
	<u>1,533,259</u>	

Water Fund

Revenue:

Water Sales	(500,000)	Metered Usage Charges
Service Charges	29,000	Connection Fees
Prior Year Reserves	<u>500,000</u>	
	29,000	

Expenses:

Personal Services	(79,440)	(64,500) Salaries; 4,600 Overtime; (19,540) benefits
Non-Personal Services	108,440	43,645 33rd street well reline; 39,795 Distribution system supplies; 25,000 Energy
	<u>29,000</u>	

Transportation Fund

Revenue:

Bus Revenue	131,625	44,813 bus passenger revenue; 66,501 Insurance claim payments; 45,311 interest on investments; (25,000) Bus advertising
Train Revenue	(126,449)	(148,607) Tram passenger revenue; 22,158 Tram advertising revenue
Transfer In From General Fund	317,063	204,063 Tram revenue/expenses; 113,000 Increase bus maintenance
	<u>322,239</u>	

Expenses:

Personal Services	62,189	34,499 Boardwalk Rock bus driver expenses; 33,768 Part-time bus driver salaries; 33,865 unemployment; (21,800) full-time salary savings; (11,643) Overtime; (5,000) Interdepartmental Labor; (1,500) Benefit savings
Non-Personal Services	260,050	201,606 vehicle fuel and maintenance; 52,614 Tram expenses; 25,000 Tram consultant; (19,170) bus operational expenses
	<u>322,239</u>	

Wastewater Fund

Revenue: No change

Expenses:

Personal Services	30,000	30,300 overtime (300) part-time salaries
Non-Personal Services	(30,000)	(20,000) Building Maintenance; (10,000) Tipping Fees
	<u>0</u>	

Airport Revenue:

Fuel Sales	(44,193)	(43,833) Jet Fuel; (360) 100LL Fuel Sales
Rents and Other Revenue	57,100	45,026 Interest; 15,000 cable fees; (2,926) Other revenue adjustments
Service Charges	(101,460)	Concrete disposal revenue
	<u>(88,553)</u>	

Airport Expenses:

Non-Personal Services	(103,553)	(58,460) concrete crushing expense; (47,294) purchases for resale - fuel; 2,100 vehicle labor; 101 all other increases
Capital Outlay	<u>15,000</u>	Underground cable legal fees
	<u>(88,553)</u>	

Golf Course Revenue:

Bond Proceeds	1,235,675	Golf Course renovations
Golf Course Expenses:		
Personal Services	(5,000)	Pension Contribution
Non-Personal Services	(16,800)	(21,800) Building Maintenance - HVAC expense transferred to Golf Course renovation project; 5,000 replace gas powered utility vehicle
Debt Service	34,239	Cost of Issuance 2024 bonds - Golf Course renovation
Transfer to Reserves	(69,679)	(58,679) Tidal project expenses; (11,000) Clubhouse renovation sprinkler system
Capital Outlay	1,292,915	1,201,436 Golf Course renovation; 31,800 change orders for renovation project; 11,000 sprinkler for Golf Course renovation project; 65,679 expenses for Tidal flooding project; (17,000) contingency for other Golf Course renovation projects
	<u>1,235,675</u>	

Convention Center Revenue:

Service Charges	164,118	69,284 Hall Rental; 90,850 Food & Beverage; 30,000 Service Charges; 26,000 Interest on Food Tax; (52,016) City-sponsored events
Food and Beverage Tax	100,000	Food & Beverage revenue estimate
Prior Year Reserves	(54,284)	Fund café table/chairs and electronic marquee repairs with Service charges instead of fund balance
Transfer In From General Fund	<u>171,875</u>	Deferred ticket revenue - Exterior lighting project
	381,709	

Convention Center Expenses:

Personal Services	(68,410)	46,800 Overtime; (34,611) Part-time salaries; (17,868) full-time salaries; (40,431) health insurance; (16,300) retirement; (4,000) FICA; 1,000 Deferred compensation; (3,000) Unemployment
Non-Personal Services	289,919	171,875 Exterior lighting project; 60,850 continuation of "Refresh" project; 55,000 Energy; 30,000 Building Maintenance; 17,210 Maintenance supplies; 5,000 credit card fees; 2,000 Other increases; (52,016) City-sponsored event expenses
Transfer to Reserves	126,000	100,000 Food Tax estimate + 26,000 interest on Food Tax
Capital Outlay	<u>34,200</u>	Hall C Lutron Lighting replacement
	381,709	

Information Technology Revenue:

Prior Year Reserves	(19,825)	Use of savings in operational budget instead
Information Technology Expenses:		
Personal Services	21,846	15,717 health insurance; 2,759 Full-time salaries; 2,000 retirement; 1,370 overtime
Non-Personal Services	(41,671)	(31,671) Operational Supplies; (12,000) Equipment Maintenance; 2,000 Energy
	<u>(19,825)</u>	
Service Center Revenue:		
Service Charges to Other Funds	(264,362)	(349,137) Fuel Sales; 157,212 Parts & Supplies revenue (72,437) Mechanic Labor charges
Prior Year Reserves	<u>263,883</u>	
	(479)	
Service Center Expenses:		
Personal Services	(38,500)	13,500 Overtime; 6,000 Part-time salaries; 500 Deferred compensation; (50,000) Full-time salaries; (5,000) retirement (3,500) FICA
Non-Personal Services	38,021	63,500 vehicle lift maintenance; 257,393 purchases for resale - parts; (257,872) purchases for resale - fuel; 5,000 Building Maintenance; 5,000 Equipment maintenance; (13,000) Training; (13,000) Supplies; (5,000) Vehicle Parts; (2,000) Vehicle fuel; (2,000) Tipping Fees
	<u>(479)</u>	
Vehicle Trust Fund Revenue:		
Sales - Materials and Service	(8,158)	Cell tower antenna rental
Sale of Assets	<u>110,856</u>	Sale of vehicles
	102,698	
Vehicle Trust Fund Expenses:		
Non-Personal Services	(4,064)	4,094 increase estimate for vehicle fees; (8,158) reduce estimate for radio maintenance
Transfer to Reserves	106,762	Revenue for vehicle sales less the increased estimate for vehicle fees
	<u>102,698</u>	
Risk Management Fund		
Risk Management Fund Revenue		No change
Risk Management Fund Expenses:		
Personal Services	8,749	4,627 full-time salaries; 2,739 health insurance; 660 part-time salaries; 423 deferred compensation; 300 FICA
Non-Personal Services/Claims	(8,749)	24,595 Insurance policy expense; 122 Communications; (31,866) Auto claims; (1,600) Training
	<u>0</u>	
Pension & OPEB Funds:		No change
General Capital Projects Revenue:		

General Fund Contribution	128,000	70,000 Inlet Lot light replacement; 58,000 Northside Park paving
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General Capital Projects Expenses:

Inlet Lot light replacement	70,000
Northside Park paving	<u>58,000</u>
	128,000

ORDINANCE 2025-

TOWN OF OCEAN CITY
OPERATING BUDGET
FISCAL YEAR 2025

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section I, General Fund:			
A. Anticipated Revenue:			
Property Taxes	\$ 50,406,171	\$ 50,406,171	\$ 50,482,706
Other Taxes	31,092,000	30,658,000	31,515,063
Licenses and Permits	4,828,200	4,883,242	6,008,872
Revenue From Other Agencies	7,055,557	8,134,343	8,819,854
Charges For Services	12,989,517	12,734,653	13,473,850
Fines and Forfeitures	1,426,000	1,426,000	1,552,020
Other Revenue	1,698,141	2,211,741	3,536,665
Prior Year Reserves	4,726,654	6,745,099	3,343,478
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 114,222,240	\$ 117,199,249	\$ 118,732,508
B. Anticipated Expenditures:			
General Government	\$ 5,446,650	\$ 5,513,977	\$ 6,090,812
Public Safety	48,951,239	48,580,189	48,701,268
Public Works/Beach Maintenance	7,425,645	7,364,017	7,474,437
Sanitation and Waste Removal	8,040,213	8,055,382	8,006,642
Highways and Streets	6,806,261	6,837,432	6,483,167
Economic Development -Tourism	15,103,918	17,862,315	18,355,419
Culture and Recreation	9,193,321	8,999,635	9,017,523
Debt Service	6,137,232	6,137,232	6,137,232
	<hr/>	<hr/>	<hr/>
Sub Total	\$ 107,104,479	\$ 109,350,179	\$ 110,266,500
To Airport Fund	43,516	293,516	293,516
To Transportation	1,148,095	1,273,397	1,590,460
To Convention Center Fund	2,346,150	2,370,071	2,541,946
To Capital Maintenance Fund	1,500,000	1,250,000	1,250,000
To Vehicle Trust	150,000	549,136	549,136
To Capital Projects	1,930,000	2,112,950	2,240,950
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 114,222,240	\$ 117,199,249	\$ 118,732,508

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section II, Water Fund:			

A. Anticipated Revenue:

Water Sales	\$ 6,073,649	\$ 5,875,239	\$ 5,375,239
Water Fixture Charge	3,092,508	3,092,508	3,092,508
Service Charges	206,650	206,650	235,650
Capacity/Impact Fees	142,128	142,128	142,128
Prior Year Reserves	<u>0</u>	<u>111,339</u>	<u>611,339</u>
Total Revenue	\$ <u>9,514,935</u>	\$ <u>9,427,864</u>	\$ <u>9,456,864</u>

B. Anticipated Expenditures:

Personal Services	\$ 2,461,198	\$ 2,353,966	\$ 2,274,526
Non-Personal Services	3,562,193	3,780,764	3,889,204
Debt Service	1,899,896	1,899,896	1,899,896
Transfer to Reserves	198,410	0	0
Capital Outlay	<u>1,393,238</u>	<u>1,393,238</u>	<u>1,393,238</u>
Total Expenditures	\$ <u>9,514,935</u>	\$ <u>9,427,864</u>	\$ <u>9,456,864</u>

Section III, Transportation Fund:

A. Anticipated Revenue:

Bus Revenue	\$ 2,718,012	\$ 2,480,012	\$ 2,611,637
Train Revenue	1,560,000	878,856	752,407
Federal and State Grants	3,216,157	4,208,657	4,208,657
Transfer-In From General Fund	1,148,095	1,273,397	1,590,460
Prior Year Reserves	<u>242,500</u>	<u>429,713</u>	<u>429,713</u>
Total Revenue	\$ <u>8,884,764</u>	\$ <u>9,270,635</u>	\$ <u>9,592,874</u>

B. Anticipated Expenditures:

Personal Services	\$ 3,744,308	\$ 3,581,375	\$ 3,643,564
Non-Personal Services	3,440,456	3,469,585	3,729,635
Capital Outlay	<u>1,700,000</u>	<u>2,219,675</u>	<u>2,219,675</u>
Total Expenditures	\$ <u>8,884,764</u>	\$ <u>9,270,635</u>	\$ <u>9,592,874</u>

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section IV, Wastewater Fund:			

A. Anticipated Revenue:

Wastewater Treatment Charges	\$ 13,940,591	\$ 13,940,591	\$ 13,940,591
Service Charges	1,176,143	1,176,143	1,176,143
Capacity/Impact Fees	248,160	248,160	248,160
Prior Year Reserves	<u>0</u>	<u>493,348</u>	<u>493,348</u>
Total Revenue	\$ <u>15,364,894</u>	\$ <u>15,858,242</u>	\$ <u>15,858,242</u>

B. Anticipated Expenditures:

Personal Services	\$ 4,500,486	\$ 4,484,021	\$ 4,514,021
Non-Personal Services	5,065,942	5,375,755	5,345,755
Debt Service	3,148,322	3,148,322	3,148,322
Transfer to Reserves	1,129,769	1,129,769	1,129,769
Capital Outlay	<u>1,520,375</u>	<u>1,720,375</u>	<u>1,720,375</u>
Total Expenditures	\$ <u>15,364,894</u>	\$ <u>15,858,242</u>	\$ <u>15,858,242</u>

Section V, Airport Fund:

A. Anticipated Revenue:

Fuel Sales	\$ 828,000	\$ 828,000	\$ 783,807
Rents and Other Revenue	415,996	826,231	883,331
Service Charges	228,000	228,000	126,540
Federal and State Grants	0	0	0
Transfer-In From General Fund	43,516	293,516	293,516
Prior Year Reserves	<u>0</u>	<u>37,935</u>	<u>37,935</u>
Total Revenue	\$ <u>1,515,512</u>	\$ <u>2,213,682</u>	\$ <u>2,125,129</u>

B. Anticipated Expenditures:

Personal Services	\$ 377,096	\$ 377,096	\$ 377,096
Non-Personal Services	1,118,156	1,173,350	1,069,797
Debt Service	20,260	20,260	20,260
Capital Outlay	<u>0</u>	<u>642,976</u>	<u>657,976</u>
Total Expenditures	\$ <u>1,515,512</u>	\$ <u>2,213,682</u>	\$ <u>2,125,129</u>

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section VI, Municipal Golf Course Fund:			
A. Anticipated Revenue:			
Service Charges	\$ 2,300,415	\$ 2,300,415	\$ 2,300,415
Sales and Concessions	562,490	562,490	562,490
Other Revenue	77,000	77,000	77,000
Bond Proceeds	0	0	1,235,675
Prior Year Reserves	6,234	11,108	11,108
	<u> </u>	<u> </u>	<u> </u>
Total Revenue	\$ 2,946,139	\$ 2,951,013	\$ 4,186,688
	<u> </u>	<u> </u>	<u> </u>
B. Anticipated Expenditures:			
Personal Services	\$ 1,329,242	\$ 1,299,436	\$ 1,294,436
Non-Personal Services	1,380,819	1,423,503	1,406,703
Debt Service	0	0	34,239
Transfer to Reserves	152,078	144,074	74,395
Capital Outlay	84,000	84,000	1,376,915
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 2,946,139	\$ 2,951,013	\$ 4,186,688
	<u> </u>	<u> </u>	<u> </u>

Section VII, Convention Center Fund:

A. Anticipated Revenue:			
Service Charges	\$ 2,243,159	\$ 2,369,309	2,533,427
State and County Grants	2,396,149	2,508,149	2,508,149
Food & Beverage Tax	1,800,000	1,800,000	1,900,000
Prior Year Reserves	0	276,852	222,568
Transfer-In From General Fund	2,346,150	2,370,071	2,541,946
	<u> </u>	<u> </u>	<u> </u>
Total Revenue	\$ 8,785,458	\$ 9,324,381	\$ 9,706,090
	<u> </u>	<u> </u>	<u> </u>
B. Anticipated Expenditures:			
Personal Services	\$ 4,074,603	\$ 4,086,724	\$ 4,018,314
Non-Personal Services	2,632,620	3,159,422	3,449,341
Debt Service	1,389,319	1,389,319	1,389,319
Transfer to Reserves	688,916	688,916	814,916
Capital Outlay	0	0	34,200
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ 8,785,458	\$ 9,324,381	\$ 9,706,090
	<u> </u>	<u> </u>	<u> </u>

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section VIII, Information Technology Fund:			

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 2,597,145	\$ 2,597,145	\$ 2,597,145
Prior Year Reserves	<u>0</u>	<u>19,825</u>	<u>0</u>
Total Revenue	\$ <u>2,597,145</u>	\$ <u>2,616,970</u>	\$ <u>2,597,145</u>

B. Anticipated Expenditures:

Personal Services	\$ 1,200,523	\$ 1,200,523	\$ 1,222,369
Non-Personal Services	1,371,622	1,391,447	1,349,776
Transfer to Reserves	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Total Expenditures	\$ <u>2,597,145</u>	\$ <u>2,616,970</u>	\$ <u>2,597,145</u>

Section IX, Service Center Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 5,330,599	\$ 5,330,599	\$ 5,066,237
Prior Year Reserves	<u>85,000</u>	<u>85,000</u>	<u>348,883</u>
Total Revenue	\$ <u>5,415,599</u>	\$ <u>5,415,599</u>	\$ <u>5,415,120</u>

B. Anticipated Expenditures:

Personal Services	\$ 1,865,101	\$ 1,865,101	\$ 1,826,601
Non-Personal Services	3,550,498	3,550,498	3,588,519
Debt Service	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>5,415,599</u>	\$ <u>5,415,599</u>	\$ <u>5,415,120</u>

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section X, Vehicle & Equipment Trust Fund:			

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 3,806,027	\$ 3,806,027	\$ 3,806,027
Sales - Materials & Service	367,097	367,097	358,939
Sale of Assets	100,000	100,000	210,856
Transfer From General Fund	150,000	549,136	549,136
Prior Year Reserves	<u>684,000</u>	<u>2,059,632</u>	<u>2,059,632</u>
Total Revenue	\$ <u>5,107,124</u>	\$ <u>6,881,892</u>	\$ <u>6,984,590</u>

B. Anticipated Expenditures:

Non-Personal Services	\$ 1,625,859	\$ 1,625,859	\$ 1,621,795
Debt Service	895,810	895,810	895,810
Transfers to Reserves	150,000	121,426	228,188
Capital Outlay	<u>2,435,455</u>	<u>4,238,797</u>	<u>4,238,797</u>
Total Expenditures	\$ <u>5,107,124</u>	\$ <u>6,881,892</u>	\$ <u>6,984,590</u>

Section XI, Risk Management Fund:

A. Anticipated Revenue:

Service Charges To Other Funds	\$ 3,674,126	\$ 3,674,126	\$ 3,674,126
Interest Earned	42,919	42,919	42,919
Prior Year Reserves	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	\$ <u>3,717,045</u>	\$ <u>3,717,045</u>	\$ <u>3,717,045</u>

B. Anticipated Expenditures:

Personal Services	\$ 214,774	\$ 226,386	\$ 235,135
Non-Personal Services/Claims	3,442,271	3,490,659	3,481,910
Transfer to Reserves	<u>60,000</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$ <u>3,717,045</u>	\$ <u>3,717,045</u>	\$ <u>3,717,045</u>

SOURCE	ADOPTED FY-2025	AMENDMENT # 1 2ND READING FY-2025	AMENDMENT # 2 1ST READING FY-2025
Section XII, Pension Trust Funds:			
A. Anticipated Revenue:			
Employer Contributions	\$ 9,838,827	\$ 9,838,827	\$ 9,838,827
Employee Contributions	1,825,000	1,825,000	1,825,000
Investment Earnings	<u>6,150,000</u>	<u>6,150,000</u>	<u>6,150,000</u>
Total Revenue	\$ <u>17,813,827</u>	\$ <u>17,813,827</u>	\$ <u>17,813,827</u>
B. Anticipated Expenditures:			
Benefit Payments	\$ 10,370,000	\$ 10,370,000	\$ 10,370,000
Non-Personal Services	880,000	880,000	880,000
Reserve for Employee's Retirement	<u>6,563,827</u>	<u>6,563,827</u>	<u>6,563,827</u>
Total Expenditures	\$ <u>17,813,827</u>	\$ <u>17,813,827</u>	\$ <u>17,813,827</u>
Section XIII, OPEB Trust Funds:			
A. Anticipated Revenue:			
Employer Contributions	\$ 0	\$ 0	\$ 0
Employee Contributions	300,000	300,000	300,000
Investment Earnings	<u>1,540,000</u>	<u>1,540,000</u>	<u>1,540,000</u>
Total Revenue	\$ <u>1,840,000</u>	\$ <u>1,840,000</u>	\$ <u>1,840,000</u>
B. Anticipated Expenditures:			
Benefit Payments	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Non-Personal Services	235,000	235,000	235,000
Reserve for Retiree Health	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>
Total Expenditures	\$ <u>1,840,000</u>	\$ <u>1,840,000</u>	\$ <u>1,840,000</u>

SOURCE	ADOPTED FY-2025	2ND READING FY-2025	1ST READING FY-2025
Section XIV, General Capital Projects Fund:			
A. Anticipated Revenue:			
General Fund Contribution	3,430,000	3,362,950	3,490,950
Inlet Lot Parking Revenue	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total Revenue	\$ <u>3,680,000</u>	\$ <u>3,612,950</u>	\$ <u>3,740,950</u>
B. Anticipated Expenditures:			
Street Paving	1,830,000	1,830,000	1,830,000
Capital Maintenance	1,500,000	1,250,000	1,250,000
Tarry Awhile Maintenance	0	114,950	114,950
Inlet Lot light replacement	0	0	70,000
17th St Bulkhead repair	0	68,000	68,000
Northside Park paving	0	0	58,000
Boardwalk Maintenance	100,000	100,000	100,000
Reserve for Future Capital Projects	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total Expenditures	\$ <u>3,680,000</u>	\$ <u>3,612,950</u>	\$ <u>3,740,950</u>

Section XIV, All Funds Expenditure Summary:

General Fund			
Water Fund	\$ 114,222,240	\$ 117,199,249	\$ 118,732,508
Transportation Fund	9,514,935	9,427,864	9,456,864
Wastewater Fund	8,884,764	9,270,635	9,592,874
Airport Fund	15,364,894	15,858,242	15,858,242
Municipal Golf Course Fund	1,515,512	2,213,682	2,125,129
Convention Center Fund	2,946,139	2,951,013	4,186,688
Information Technology Fund	8,785,458	9,324,381	9,706,090
Service Center Fund	2,597,145	2,616,970	2,597,145
Vehicle & Equipment Trust Fund	5,415,599	5,415,599	5,415,120
Risk Management Fund	5,107,124	6,881,892	6,984,590
Pension Trust Funds	3,717,045	3,717,045	3,717,045
OPEB Trust Fund	17,813,827	17,813,827	17,813,827
	<u>1,840,000</u>	<u>1,840,000</u>	<u>1,840,000</u>
Sub Total	\$ 197,724,682	\$ 204,530,399	\$ 208,026,122
LESS: Interfund Transfers			
	<u>(32,214,485)</u>	<u>(32,546,658)</u>	<u>(32,899,234)</u>
Total Expenditures	\$ 165,510,197	\$ 171,983,741	\$ 175,126,888
Capital Projects Fund - General			
	<u>3,680,000</u>	<u>3,612,950</u>	<u>3,740,950</u>
Grand Total	\$ <u>169,190,197</u>	\$ <u>175,596,691</u>	\$ <u>178,867,838</u>

Section XV, Special Authorization - Budget Manager:

The Director of Budget and Management shall be authorized to reallocate departmental appropriations among the various objects of expenditures as she deems necessary. Such changes shall be approved by the Finance Administrator & City Manager.

Section XVI, Restrictions - City Manager:

- A. The utilization of any contingency appropriation shall be accomplished only with prior authorization from the Mayor and Council.
- B. Utilization of appropriations established in the Capital Improvement Fund may be accomplished only with the express approval of the Mayor and Council.

Section XVII, Tax Rate:

An Ad Valorem Tax Rate of \$0.4426 per \$100 of assessed valuation of real property and a rate of \$1.11 per \$100 of assessed valuation of corporate and personal property tax is required to fund this budget. INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on August 18, 2025.

ADOPTED AND PASSED, by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on September 2, 2025

RICHARD W. MEEHAN, MAYOR

MATTHEW M. JAMES, PRESIDENT

DIANA CHAVIS, CITY CLERK

ANTHONY J. DELUCA, SECRETARY

ADOPTED:

Date

MOTION TO ADOPT BY:

MOTION SECONDED BY:

VOTE:

FOR:

AGAINST: