January 26, 2014

To: Chair David Myerberg and members of the PRB

From: Barbara Beelar

Re: Budget documents

The Department of Legal Services requested by Delegate Beitzel and provided to the DNR on Friday, January 24, 2014 as well as documents from the Maryland Department of Budget and Management for the Fund K00306 (Special Fund for DCL Management and Protection) raise a lot of questions. The members of the Policy and Review Board and the general public will answered in order to understand the financial picture for the lake and the role of the PRB.

There are two big questions, which, in turn provide framework for “smaller” questions and those on specific line items.

**Question I: Did DNR allocate lake user fees for purposes other than specific programs operated by the Lake Management Office?**

If the answer is yes, were the DNR policy makers and budget staff aware such allocation is contrary to the agreement between Garrett County and DNR in 2000/2001, agreements which were preconditions which needed to be met for the County to support the sale of the lake to the state?

At the February 2011 PRB meeting, Paul Durham, former Lake Manager, provided the PRB with excellent historical overview—attachment #1.

1. Is there a written document which lays out the specifics of this agreement between DNR and the County prior to state purchase of the lake?

Recommendation: If none exists, representatives who were involved in this agreement from DNR, the County, state delegation and others should convene to compile a consensus statement on these agreements so there will be guide for DNR going forward.

1. A question suggested in Durham’s presentation: is DNR continuing to abide by these agreements?

If not, when were they changed?

How and why were they changed?

Were these changes negotiated with the County?

Was the PRB involved or informed? Was Lake Manager informed?

**Question II: How do DNR policy makers reconcile the legal mandate for the PRB and the consolidated budget covering more than Lake Management Funds?**

Under in Maryland Law (5-216 and 5-215), the charges to the Policy and Review Board are as follows “shall review and advise the Secretary on matters that related to the DCL Recreation Maintenance and Management Fund and the DCL management program”; “may review and make recommendations to the Secretary on budgetary matters that concern the management and maintenance of the lake and buffer area.”

While the PRB is confined to review and advise on the Fund and the DCL management program, understood to be that operated by the Lake Management Office, the DNR budget combines other programs. How can this body fulfill its legal obligation if it is limited to the DCL Fund and management program but has a budget covering other DNR activities?

Recommendation: DNR should work with the PRB and Garrett County to develop a clear agreement to reconcile the unacceptable situation. Either the PRB role must be expanded in the law to review and advice over all lake programs—matching the budget presented; or the DNR budget must be specific to the Fund and DCL management program.

OTHER QUESTIONS:

**What is the role of the PRB in the budget process?**

According of Maryland law the PRB “may review and make recommendations to the Secretary on budgetary matters that concern the management and maintenance of the lake and buffer areas (5-216, 5-215). While the PRB is given the option to be involved in the budgetary matters, it is clear in a review of PRB minutes back to 2008, there are multiple references to intention by the Board to be so involved. Attachment #2, for excerpts from the PRB February and April, 2011 minutes which reflect concerns and questions. In review of these minutes it is clear the Board has not created a mechanism for regular review and recommendation processes nor involvement in the budget cycle in Annapolis.

1. What is the process by which DNR/ Annapolis provides information to the PRB and/or Lake Manager on items which are being considered for inclusion in the DNR budget?

The Board needs this information in order that it may choose to make recommendations to the Secretary.

1. When in the year should the PRB be ready to engage in the building of the upcoming FY budget?

Recent PRB discussions have been in reaction to events during the Legislation Session, not while the budget is being drafted by DNR.

1. Why was the PRB not briefed about the depletion of the Management Fund?

Is it correct that in order to obtain an increase in buffer strip permit fees this would have to be approved by the General Assembly? If so, is it accurate to state that such an increase could not be presented for a vote until next year?

Is this true for the other use fees as well?

**Did the consolidation of DNR programs in Garrett County serve as catalyst for merging of the budgets**? Four or five years ago, DNR unified three existing components in Garrett County—Lake Management, DCL Park and the Youghiogheny Scenic and Wild River. Carolyn Mathews was assign to be head of this unit as well as continue her role at Lake Manager. Attachment #3 is an email reply from Carolyn Mathew’s inbox showing these multiple roles. .

1. Did the changes in DNR funding and use of DCL revenues happen along with this consolidation?
2. Is it correct that the Secretary just announced that the consolidation of DNR in has been revoked and each unit will operate independently?

If this is correct, will there be accompanying changes in DNR use of DCL Funds for non-LMO purposes?

**Funds for the Secretariat. A lot more information is needed on this item.**

1. When did DNR begin to charge this Fund for this “indirect” cost?
2. Is there documentation for the charges for the time covered in this report?

Please provide.

1. Are these charges fair and balanced regarding Deep Creek Lake? It is well known that the lake is the only unit like this in the whole state. Carolyn Mathews often commented that she was the only person in the Park Service who had to contact the Secretary’s Office with her questions. Unlike the Bay, where there are multiple dozens of DNR staff at various supervisory levels, there is no line staff in DNR who is responsible for lakes. So, to obtain guidance, Lake Management staff has to go to the most costly level of the agency for direction—the Secretary’s Office. The relative lack of program direction and “catching up” which must be done to ensure sustainability of the lake also demands a lot of attention which is also more costly than if there were a mid-level staff person responsible for lakes.

Would DNR consider creating a mid-level staff person responsible for the lake, as a cost savings for DCL management fund?

Would DNR consider investing in telecommunications equipment so that a presentation to the PRB is not charged for both time and travel?

**Process.**

1. Regarding the DLS Letter from Andrew Gray to Delegate Beitzel, dated 11/13/2013.

Who are the other two people cc’ed on the letter -- Mr. Karl Aro and Mr Warren G. Deschenaux—and what is their role?

When was this letter received by Delegate Beitzel?

When was this letter received by PRB Chair David Myerberg?

**QUESTIONS ON SPECIFIC BUDGET ITEMS**

1. In volume 1 of the DBM FY 2014 Proposed Budget Detail for Natural Resources there are figures for the Fund K00306—Special Fund for DCL Management and Protection presents expenses for 2012 Actual, 2013 Appropriations and 2014 Allowances. Spreadsheet attached to this document.

Why do the figures not agree with the figures in Gray/DLS Exhibit 3 figures for expenditures?

Of particular interest, why does DBM show a total of $38,200 in FY 2012 for Office of Secretary—indirect cost recovery and the Gray/DLS Exhibit for FY2012 shows $110,500?

1. It appears to be obvious, but an answer for the record is needed to this question: Is the revenue obtained through the DCL use fees being used for purposes other than Deep Creek Lake management?

If they have, when did this start?

Please present a spread sheet which simply shows income DCL Management Fund and expenses relating directly to DCL management fund—those which are NOT for state park, other DNR units or transferred .

As late as February, 2011 Carolyn Mathews informed the PRB in public meeting that: “the money stays in the Management Fund and there was discussion regarding that the State will have the option [to use it for other purposes] but discussion continued that included [ sic- concluded} that the funds are to stay in the Lake Management budget.” Was that an accurate statement when it was made?

When did matters change?

Was Mathews consulted? Was the PRB consulted?

1. Is it correct that the General Assembly through the Budget Reconciliation and Financing Act of 2011 (which would have been approved by the General Assembly in less than 2 months of the statement by Mathews) provided for the transfer to the General Fund of $62,000 from the DCL Recreation Maintenance and Management Fund?

What was the rationale for this transfer from the lake fund to the general fund?

Was DNR budget staff aware that such action would be contrary to the existing agreement between DNR and Garrett County, and even statements being made by the Lake Manager?

Was the State delegation briefed specifically on this transfer of DCL funds by DNR?

Was the Lake Manager briefed on this transfer?

Were there previous instances when such a transfer took place?

Are there subsequent actions of transfer from the DCL Fund to other funds within DNR?

1. With regard to Forest and Park Reserve Funds for salary expenditures (FY12), what new or other lake management expenses were incurred to require this infusion of money into the lake management budget? How lake management funds were otherwise spent to require this one year infusion of funds? What amount of DCL fund monies were spent on non-lake management functions in FY12?
2. In the Gray/DLS document figures from Exhibit 1 and Exhibit 3 on the Total Expenditure figures do not match. Why?

Please revise for review by the PRB.

1. In Gray/DLS Exhibit 1 and the MBM document show a decrease in revenue while Exhibit 3 shows fairly steady revenue. What is the basis for the decline?

Revenues should be pretty stable, with most coming from user fees.

1. There are several use permits which provide revenue. What are these?

Please provide figures for each for the time period covered.

1. In Exhibit 2 of the Gray/DLS document it appears other DNR staffs who are not assigned to the Lake Management Office are included. Why is this?

Please list each person with which unit they work. And, where a staff spends a portion of their time with State Park as well as LMO, please indicate.

Certain staff is not included in this exhibit. Why is this? Mark Spurrier worked for LMO—I believe. Where is Carolyn Blizzard, Director of the DCL State Park? Are there others not included?

1. Under “Contractual Salaries” – how many contractual employees were funded, what were their salaries, who were they, where were they assigned to work and what were their duties? Please specify those who work in the LMO.
2. Why did the DCL Fund revenue fluctuate so much between FY09 and FY14? In what revenue sources was the most fluctuation seen?
3. Why did the communications expenditures in FY 09 ($74,394) and FY10 ($24,805) exceed the average for the following FYs which were about $8,000 per year?
4. What utility costs were paid from the DCL fund in FY09, FY10, FY11, FY12 and FY14 (average = $171,802) that caused the expenditures to exceed that of FY 13 ($7,430)? A difference of more than $164,000!
5. What additional equipment purchases were made in FY09 and FY10?
6. What land and structures were acquired in FY09 for $20,753?
7. What supplies for lake management use were purchased in FY09, FY10, and FY11 that caused an average annual expenditure ($36,616) that was more than $20,000 higher than the average for the remaining FYs ($15,053)?
8. For FY14, which of the listed employees now works at Deep Creek Lake State Park or elsewhere in DNR?
9. What will the funds ($102,252) saved by the retirement of Carolyn Mathews be used for? Will they remain in the DCL Fund?
10. What park funded Mash’s salary before being paid from the DCL Fund?
11. Of this list of employees paid by lake management funds, which of them were not assigned to the local lake management office to do direct lake management duties?
12. To what does DNR attribute the drop in boat launch fee revenue in FY13?

Our observation is the ramp office was not staffed full time; we observed it closed on a peak day in early August.

Is lack of staff the office to received payment causing drop in revenue?

There is an “honor” system at the ramp office, does this generate money?

What other mechanism could be put in place so that launch fees are not lost?

Hours for staffing the launch ramp are from 9 to 5, usually. What can DNR do to capture the boats launched before 9 am, done so intentionally to avoid paying the launch fee?

1. What is the source of the “land rent” for all fiscal years reported?
2. There are a lot of DCL related expenditures which do not show up on these accounts. These include the costs for various studies, from the USGS $350,000 contract in 2009 (?) as well as water quality monitoring. There have been discussions about these as well as queries which appear not to have been answered—see attached statement by Myerberg. Where are these expenditures found?

Please provide a comprehensive listing of the costs for special contracts, water monitoring and the like.

Please go back to FY 2003 (?) to find out how much the Carrying Capacity Study done by ERM cost.

1. Garrett County receives a payment in lieu of taxes, which is paid quarterly.

Please provide information by year of revenue the County has received since the state purchased the lake.

1. How much did the state pay for the purchase of Deep Creek Lake? What was the property valuation for the lands when the state finalized the purchase?

How much did the state receive in payment from the sale of the “buy down” lands?

**ATTACHMENTS**

**Attachment #1—Durham overview on the agreements made prior to the State purchase of the lake in 2001. From PRB Minutes, February, 2011**.

Mr. Paul Durham, retired Deep Creek Lake manager, shared some thoughts with the Board Members and audience for the benefit of those who were not around when the State purchased the lake. His comments are as follows: There were commitments made to the County at that time and that this is what is driving the anxiety towards this recent Legislation. When the Pennsylvania Electric company announced they were going to divest themselves from the local power plant generation assets, there was a consortium negotiating with them to purchase the lake, and the lake would remain in private hands. Participation in that consortium included members of the power company, an operator, the County and POA. Negotiations were going on and as they started to mature, the State took an interest in acquiring the lake. There is a law that the DNR cannot acquire property in Garrett County without the consent of the County Commissioners; and when the State started to court the County with purchasing Deep Creek Lake, the County had a “shopping list” of things they required in order to grant their consent to the State acquiring the lake. One of those things was the “buy down” – they wanted to see a significant part of the buffer strip put into private hands. The State agreed to that. Another was the creation of this board. There were negotiations that the County wanted to have a certain say in how the lake was going to be managed. As for the DCL PRB, they wanted to advise and consent when it comes to lake fees and regulation changes. There were five portions of the buffer strip which were considered developable, in other words they would be sold fee simple without conservation easement and if the adjoining property owners were interested they would just convey without an easement. One of the conditions that the County insisted upon was that 25% of the lake fees would be returned to the County in lieu of the property taxes the County would be losing without the value of buffer strip. The Secretary of Natural Resources, the Governor, and the Secretary of General Services said they agreed to those things and simultaneously to the States’ purchase of the DCL, there would be legislation to make those things happen in 2000. The settlement occurred around April and the legislation occurred simultaneously. The players on the State side that negotiated this agreement aren’t there any more and the new people may not even have knowledge that the agreement occurred and that is what is causing some of the anxiety about the agreement that was made between the County and the State at the time of purchase and here is one of those items that is now being thrown out.

**Attachment #2. Excerpts from PRB minutes, April and February, 2011 indicating intent of PRB to assume role of review and advise on budgetary matters.**

PRB Minutes April, 2011

A discussion followed regarding the DCL Reserve Fund and how the board could provide direction to pick and choose what tasks need to be addressed next with those funds. It was noted that the Board should know what amount is available in that fund. Discussion continued whether this was a responsibility of the DCL PRB. Chairman Myerberg expressed his opinion that the Board should be aware of what the choices and projects costs and priorities are before the Board can advise.

Delegate Beitzel shared reserve fund balances from the past few years that he had brought with him. He added that when the State purchased the lake, legislation was passed to create the PRB and the DCL Management Fund. There was discussion about which salaries are paid from the fund and what expenses are paid from that fund. Mathews stated that all monies spent from the fund are only spent for the benefit of Deep Creek Lake not to cover expenses in other projects of the Park Service. It was discussed that the DCL Management Fund is the dock fees, ramp use charges and land leases and at some point there may be the need to seek other ways to supplement the Fund.

February, 2011

Budget Reconciliation Bill: Chairman Myerberg asked Bob Browning to explain to the group what is happening in Annapolis with the Budget Reconciliation Bill. There is a section in the present bill about DCL that deals with the Lake Management Fund. This specific Bill is online. First and foremost the Governor wants to take the County’s 25% of the Lake Management Budget and keep it. Carolyn Mathews disagreed and stated that if the bill would pass, that the governor would not get the 25% that presently goes to the county, but that 25% would stay right in the Lake Management Fund for use on lake issues.

Mr. Browning continued that the state made a contract with the county at the time when the state purchased the lake, that in lieu of the taxes from the power company - which was over a million dollars - the county would approve this contract with other conditions, and the county would get the 25% of the income from the use of the lake and property around the lake as in the past in lieu of the taxes. Mr. Browning feels this is a breach of contract. The amount is about $225k a year confirmed by Ms. Mathews. Mr. Browning said that the Bill opens up what the funds could be used for, but Ms. Mathews said the money would only be used for lake.

Jim Stakem asked if Delegate Beitzel and Senator Edwards feel that the particular parts of this Bill that deal with DCL can be pulled. Mr. Browning noted that the budget committee of the General Assembly tried to make this change last year and they are trying to do it again this year. Mr. Browning indicated that the entire Bill is 75 pages long. Mr. Browning stated that pages 26-27 were the specific pages of concern and Mr. Stakem added that the whole Bill includes everything from Ocean City to Friendsville and added that every legislator has to go through the bill and look at the items that are pertinent to their particular area and then decide if they need to lobby to get those particular items in or out of the Bill. Mr. Browning noted that Delegate Beitzel and Senator Edwards are trying to do that and hope they are successful in doing so.

Chairman Myerberg asked what their objection to the Bill is and Mr. Browning said that, essentially, the State changed the contract made with the county when they purchased the lake. There was discussion regarding the removal of funds to the county and what page this language was on within the Bill. Barbara Beeler pointed out to those in the audience that the agreement was when the State bought the lake that the dock permit fees which are collected and provide for the operations of DNR staff to provide the opportunity for doing the research on the lake water quality studies, that from the $800,000 plus that’s collected from the dock permit fees there is 225k that goes to the county’s general fund but not into any specific related item and is not earmarked in any way. Chairman Myerberg asked what percentage of County funds does that amount equal compared to property taxes. It was agreed that it is a very small amount in comparison to the property taxes collected from around the lake. But it was pointed out that it was the principle that is of concern and the State may change its mind of how to use those funds. Carolyn Mathews said the money stays in the Management Fund and there was discussion regarding that the State will have the option, but discussion continued that included that the funds are to stay in the Lake Management budget. There was disagreement with regard to some specific wording in the Reconciliation Bill and Mr. Browning read a section of the Bill. “…eliminated for the maintenance management of the land and recreation facility services and related to Deep Creek Lake in Garrett County…” and pointed out it rephrases later on in the Bill which opens up a new area – including administrative costs.

Chairman Myerberg posed the question if the PRB has felt it has sufficient money to do what the DNR needs to do around the lake, the studies that are needed along with various other things that the DNR needs to do. Mr. Browning noted the budget always has had a surplus and Carolyn Mathews noted that there has always been a surplus in the fund. A chunk was spent a few years ago with the first round of the water quality studies. Chairman Myerberg pointed out that with all of the problems facing the PRB and the lack of some scientific input, it seems that the money will be needed and continued that it may set a precedent, but if the State is putting that money into the local need, what are the objections? Mr. Browning pointed out that there was a contract with the County and the concern is the broadening of how that money can be spent. Other similar concerns were voiced regarding the fact that the Bill’s language is different than the contract provisions.

Cindy Ecker shared that she attended a workshop in December hosted by the POA and in her breakout group some made recommendations to take that 25% or have the County use it to add some “living shorelines.” If that became an opportunity, it would be Cindy Ecker’s and Carolyn Mathews’ preference to do some cost sharing, but that money is not accessible now. Barbara Beeler pointed out she wasn’t here when the State bought the lake ten years ago, but it is important to remember that at that point there was a lot of land bought by the state and all of that land was not going to be taxable and there was a justification of this payment in lieu of taxes. In the interim the “buy down” has taken place and a lot of the land is now being taxed because people bought the buy down which caused the property evaluation to go substantially up. So the situation has changed and that land is now taxable and it wasn’t when the original purchase was made. Carolyn Mathews added that the Lake Management Fund hasn’t changed because that is based on the permit privileges and the people paying fees to use the lake.

Chairman Myerberg added that the Board needs to look at where all the finances come in that support the things that this PRB has as its mandate. He said he is not very clear on that and, it appears, the board needs to understand it better, including the 25% to the County, etc.

One of the public present asked about the State Park sewage fee and Mr. Browning pointed that was in DCL Management Budget and that the DCL PRB hasn’t reviewed the Lake Management Budget but there was a significant amount that goes to the County sewage treatment.

Chairman Myerberg asked when the budget was reviewed, and if there is a set meeting for reviewing the budget. Mr. Browning indicated it wasn’t a set meeting, and that the DCL PRB has only reviewed the budget once. Jim Stakem asked the County Commissioner on the PRB, Mr. Gatto about this situation, and if they have a particular feeling about the $225k included in the Bill. He asked if the commissioners have made it clear to Delegate Wendell Beitzel and Senator George Edwards how the County Commissioners feel and what their approach would be. Commissioner Bob Gatto indicated that they would like to see the money come to the County, but agreed with what Barbara Beeler had said it is not ear marked to spend on the lake. Carolyn Mathews added that if she had a vote, she wouldn’t say to spend the money on the lake, but spend it on the tributaries in the watershed. It was noted the money does go into the County’s General Fund.

Barbara Beeler suggested to Chairman Myerberg to ask the Board members to take a look at the legislative process because decisions are going to have to be made because they are only in session until April 12th. Ms. Beeler suggested a need for a sub committee group to sit down and inform the Board what is going on in Annapolis that impacts the County and give Bob Gatto the opportunity to take it back to the County Commissioners and ear mark it to be used toward the sediment study. Chairman Myerberg suggested that the DCL PRB should have a Legislative Committee or sub committee and obviously Wendell Beitzel and George Edwards should be included on that committee, but it was pointed out they can never attend DCL PRB meetings during the legislative session. Chairman Myerberg remarked that they did not have to be present to communicate with them. Bob Browning noted that the language within the Bill was a surprise: and Carolyn Mathews and Cindy Ecker pointed out that it came from the state level and not the local state agencies offices, regarding the management fund and how it could be spent. It was agreed that George Edwards and Wendell Beitzel were in agreement that this language needed to be reviewed.

Mr. Paul Durham, retired Deep Creek Lake manager, shared some thoughts with the Board Members and audience for the benefit of those who were not around when the State purchased the lake. His comments are as follows: There were commitments made to the County at that time and that this is what is driving the anxiety towards this recent Legislation. When the Pennsylvania Electric company announced they were going to divest themselves from the local power plant generation assets, there was a consortium negotiating with them to purchase the lake, and the lake would remain in private hands. Participation in that consortium included members of the power company, an operator, the County and POA. Negotiations were going on and as they started to mature, the State took an interest in acquiring the lake. There is a law that the DNR cannot acquire property in Garrett County without the consent of the County Commissioners; and when the State started to court the County with purchasing Deep Creek Lake, the County had a “shopping list” of things they required in order to grant their consent to the State acquiring the lake. One of those things was the “buy down” – they wanted to see a significant part of the buffer strip put into private hands. The State agreed to that. Another was the creation of this board. There were negotiations that the County wanted to have a certain say in how the lake was going to be managed. As for the DCL PRB, they wanted to advise and consent when it comes to lake fees and regulation changes. There were five portions of the buffer strip which were considered developable, in other words they would be sold fee simple without conservation easement and if the adjoining property owners were interested they would just convey without an easement. One of the conditions that the County insisted upon was that 25% of the lake fees would be returned to the County in lieu of the property taxes the County would be losing without the value of buffer strip. The Secretary of Natural Resources, the Governor, and the Secretary of General Services said they agreed to those things and simultaneously to the States’ purchase of the DCL, there would be legislation to make those things happen in 2000. The settlement occurred around April and the legislation occurred simultaneously. The players on the State side that negotiated this agreement aren’t there any more and the new people may not even have knowledge that the agreement occurred and that is what is causing some of the anxiety about the agreement that was made between the County and the State at the time of purchase and here is one of those items that is now being thrown out.

Chairman Myerberg questioned whether what Barbara Beeler pointed out was correct, but added he doesn’t have the actual facts on this, that the buy down yields a considerable increase in property tax. Durham responded that the County told us that they were losing $1.2 million and the State told the consortium that the County will recoup some of that in property taxes but the 25% of total lake fees was also needed.

Bob Browning pointed out that you have to remember when the State bought the lake; they also purchased the land under the lake which is about 6000 acres. Carolyn Mathews corrected that the total acreage of lakesurface and buffer strip being 4900 acres - the buffer strip land accounts for about a 1000 acres. Durham continued that the assessed value of the buy down was $8 to $10 million after it was purchased because it was burdened by the conservation easement. That is the history for the folks that were not here and the County considers the 25% of the income to the Lake Management Fund their money in lieu of the property taxes lost in order to consent to the State buying DCL.

Mr. Durham said there was a lot of talk on the streets about this subject and he was asked to come tonight and address the DCL PRB and explain that this was all part of the negotiations for the purchasing of the lake that occurred during his time as Lake Manager. It was discussed that John Griffin was actually engaged in the preliminary discussions; but he moved to another agency, and then someone else came in but the final negotiations were done by Gene Lynch of the Department of General Services who has since passed. Also, Governor Glendening who is no longer in office and Secretary John Griffin may not even know what the final agreement included.

Chairman Myerberg added that it sounds like the Senator and the Delegate are against the change in the Reconciliation Bill and they will be working to change the legislation on behalf of the County and asked if there was anything else the DCL PRB needs to do in regard to this. It was pointed out that they were acting independently and not on behalf of the Board. Chairman Myerberg agreed and said that was why he posed the question to the Board and asked for the Board’s opinions.

Barbara Beeler said she feels that the Board should turn to the County Commissioners to see if it would be possible that they devote the money received from Lake Management to working on their part of the watershed. She wants to see it reinvested back into the lake, because at this point the County does not really put any money into the watershed per se. It was noted that is really a separate issue and the issue before the Board is do you let the Legislature go through or don’t you. Ms. Beeler pointed out this was a contingency plan and it was agreed that it was a contingency plan with the County and has nothing to do with the State.

Chairman Myerberg shared his thoughts that a very large percentage of people who own property around the lake are not citizens of the County yet they pay very high property taxes that go into the County and he asked what specifically does the County do about erosion, water quality. A few things were mentioned this evening that the County should be helping out with. The amount of money we are talking about that could go to the DNR with this Bill compared to the property taxes and it would give DNR a step up to do the studies that we’re talking about. He continued that it’s not that much money to the County but it’s a lot of money to the DNR and did not understand why Delegate Beitzel and Senator Edwards don’t want the money to stay where it is generated. Is it the fact it was part of the initial deal? Bob Browning added that it was the principal factor and that his main reason for presenting this to the Board is to make everyone aware, but he did not know if the Board needed to take a position on this. He felt the Board should be aware of what was going on. Chairman Myerberg thanked Mr. Browning for bringing this issue to the Board’s attention.

One of the public present asked whether the Board should consider the fact that, historically, the agreement was made and, in fact, one of the agreements was the formation of this Board along with the component pieces that Bob Browning was talking about. If you start to erode the agreement at that level then are you setting the precedent of eroding the agreement further down the road? Ms. Beeler added the agreement is DCL Recreation and Land Use plan that is a ten year plan that lapses in April or May of this year, the Plan that sets up the DCL PRB and the mandates of DNR and the management, etc. lapses. Ms. Beeler was respectfully corrected that it was codified by law – the 25% and the existence of the DCL PRB was codified into law by the legislature. The law exists until legislature changes and the Bill is to change the law. It was also suggested that what the money is used for is something the Board can discuss with the County Commissioners.

Chairman Myerberg asked for any other comments regarding the Budget Reconciliation Bill. Commissioner Gatto pointed out that a lot of the money was spent doing things around the lake and perhaps more money should have been spent on items brought up tonight. He continued that as a newly elected member of the Board of County Commissioners and part of the reason they were elected was to make those necessary choices. He pointed out that a lot of great things are going on and there are choices to be made. Speaking from the heart with the new Board of Commissioners, there are some tough choices to be made and he appreciates all that he has heard during the DCL PRB meeting tonight.

**ATTACHMENT #3. Lake Manager became head of DNR programs in Garrett County in addition to serving as Lake Management**

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| JOB DESCRIPTIONS OF CAROLYN MATHEWS, LAKE MANAGER FOR DCL NRMA, DCL STATE PARK AND YOUGHIOGHENY SCENIC AND WILD RIVER Jul5. 2011 |
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I am away from the office and unable to respond to your message.  Please contact assistant manager Mark Spurrier at 301-387-4111 or atmspurrier@dnr.state.md.us for assistance with questions or issues relating to Deep Creek Lake State Park, the Youghiogheny Scenic and Wild River or Deep Creek Lake NRMA. The Fourth of July holiday time of year is always a busy time for employees of the Maryland Park Service.  We are away from our desks response time to inquiries and applications.  Enjoy outdoor experiences safely on Maryland's public lands talking with the public, maintaining safe facilities and sites and operating your State Parks. Please be patient with Please be patient with our response time to inquiries and applications.  Enjoy outdoor experiences safely on Maryland's public lands.