**PARKS & RECREATION COMMITTEE**

**OF THE**

**SUFFOLK COUNTY LEGISLATURE**

**Minutes**

A regular meeting of the Parks and Recreation Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on February 27, 2008.

**MEMBERS PRESENT:**
Leg. Vivian Viloria-Fisher, Chairperson
Leg. Lou D'Amaro, Vice Chair
Leg. Cameron Alden
Leg. Lynne C. Nowick
Leg. Steven H. Stern

**ALSO IN ATTENDANCE:**
George Nolan, Counsel to the Legislature
Barbara LoMoriello, Deputy Clerk
Lance Reinheimer, Budget Review Office
Jill Moss, Budget Review Office
John w. Pavacic, Commissioner of Parks
Brendan Chamberlain, County Executive's Office
Ben Zwirn, Deputy County Executive
Paul Perillie, Aide to Majority Leader
Greg Moran, Aide to Leg. Nowick
Linda Burke, Aide to Minority Leader
Richard White, Parks Trustee
Steve Gittelman, Vanderbilt Museum
Carol Ghiorsi Hart, Vanderbilt Museum
Bryan Amico, Bank of America
Charles Byrne, Bank of America
Debra Alloncius, AME Legislative Director
And all other interested parties

**MINUTES TAKEN BY:**
Diana Kraus, Court Stenographer

(THE MEETING COMMENCED AT 1:14 PM)

**CHAIRPERSON VILORIA-FISHER:**
Good afternoon everyone. Welcome to today's meeting of the Parks and Recreation Committee. Please join us in the pledge led by Legislator Stern who's looking radiant.

(SALUTATION)

Thank you. We have two cards. But if you wouldn't mind, Steve and Carol, if we hold off a little bit because I'd like you to make your comments just before the presentations by Budget Review and our Bank of America representatives.

**DR. GITTELMAN;**
Maybe just after?

**CHAIRPERSON VILORIA-FISHER:**
However we're all most comfortable. I would like the Commissioner to join us.

Hello, Commissioner.

**COMMISSIONER PAVACIC:**
Good morning, Chairman Viloria-Fisher. How are you?

**CHAIRPERSON VILORIA-FISHER:**
Commissioner, I had mentioned a couple of things before the meeting and mentioned to you that I had received some correspondence. The first piece of correspondence that I received was from a person who is renting one of our parks residential homes. And you and I have talked about this before that some of the people who have been renting within our parks properties have found that the increase in rent has been truly a burden for them because the cost to heat these homes is very high. They're old homes. They're leaky. It's hard to get them much tighter because they're old homes. And so I was wondering if you had had conversations with Richard Martin. Has this moved any further along trying to find a way to address the issue of the rentals?

**COMMISSIONER PAVACIC:**
Yes. I think one of the things that we would need to consider is an amendment to the original legislation that required the rentals to account for, first of all, the utility bills such as heat, which was something that I don't think anyone had really contemplated to a great degree because of the nature of these rentals. A lot of them are historic and, therefore, there's no insulation on the walls. It's not possible to insulate most historic structures. There's just various reasons why -- moisture retention that causes damage and other difficulties. Because of that a lot of them require a tremendous amount of heating oil usage. And that's just one thing that adds to the burden of those rentals.

So I have received some correspondence myself from some folks in there. I do know that we are losing one additional tenant from an existing structure down in -- near Beaver Dam Creek. So I think that's something that we would need to explore looking at that because the legislation as it currently exists locks us into implementing those rentals increase.

**CHAIRPERSON VILORIA-FISHER:**
There's no wiggle room at all.

**COMMISSIONER PAVACIC:**
That's right.

**CHAIRPERSON VILORIA-FISHER:**
How many vacant buildings do we have right now?

**COMMISSIONER PAVACIC:**
Of all the rentals about 15, I believe, are vacant at this time.

**CHAIRPERSON VILORIA-FISHER:**
Out of?

**COMMISSIONER PAVACIC:**
Approximately -- there's about half. I think we have about 31 or so.

**CHAIRPERSON VILORIA-FISHER:**
So we have a 50 percent vacancy.

**COMMISSIONER PAVACIC:**
It's close to it, yes.

**CHAIRPERSON VILORIA-FISHER:**
And what's the cost when we have vandalism? For example, I know in the Scully Estate there was some vandalism because it was empty.

**COMMISSIONER PAVACIC:**
Right. It's hard to --

**CHAIRPERSON VILORIA-FISHER:**
Well, on that building.

**COMMISSIONER PAVACIC:**
On that particular building, I don't have -- I don't have those figures in front of me, but it can be fairly substantial if a building gets vandalized. The Black Duck Lodge in Huber County Park is a good example of that where the interior was -- was excessively vandalized and destroyed just over a week and many years ago. So it is a problem with not having folks on site.

**CHAIRPERSON VILORIA-FISHER:**
And the Chandler Estate we lost.

**COMMISSIONER PAVACIC:**
Yes, that's correct.

**CHAIRPERSON VILORIA-FISHER:**
We lost that beautiful home there. Okay. So you're working with Richard Martin on that?

**COMMISSIONER PAVACIC:**
Yes. Richard has conveyed to me the concerns of not just of his own unit but also from the Historic Trust and their concerns about not having occupancy in a lot of these structures particularly those that are historic in nature. And so I think we will be looking to try to do something concrete to address that in the near future.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Any other questions about this? Legislator Alden.

**LEG. ALDEN:**

It's a multifaceted problem just to say the least because say for instance we do have somebody in and they go on vacation or they go out for the night and kids find out like on a big place like Scully Estate or some of the other -- like Chandler and things, the big buildings, we're still open to vandalism. So there's another underlying problem as far as security on any of our buildings, whether they should be upgraded or whether there's some other way of doing business.

The other thing is, and God help them if they had to pay the sales tax on top of the fuel oil, but because they're in a County building, I think, they get the fuel oil without having to pay the County share of the tax on top of it. And the energy is also, I think, something -- all the energy use is tax exempt. But have we looked at upgrading the boilers, the actual -- because I think most of them are oil burners which is --

**COMMISSIONER PAVACIC:**
Right. I believe that in most cases the -- in most of these they wouldn't have made it onto the rental list unless the -- infrastructure, heating infrastructure was in pretty good shape or updated. And in many cases a fair amount of money was spent to put in new systems into those to make them as efficient as possible and also as safe as possible.

**LEG. ALDEN:**
Okay, because within the past four or five years, there's been tremendous strides especially in the gas end of it where you're using natural gas or compressed gas. The efficiency rating has gone up over 95 percent, I believe, in most of those units. So if we could, you know, just take a look and see what was done in the past and what wasn't done. And I would wholeheartedly recommend wherever it's appropriate to switch over from, you know, the oil use to some kind of gas whether it's compressed gas or if there's gas, you know, nearby that we can hook up to, the natural gas. Those are a lot more clean burning than the oil would be. So, we might see a little bit of a efficiency increase there. Plus LIPA does have programs -- or Keyspan, rather, has programs where if we upgrade, you know, we might be able to partner with them a little bit and get some of the, you know, like the costs eliminated or borne a little bit by them. But this is a real delicate problem because the reason why we went, and you and I lived through it --

**CHAIRPERSON VILORIA-FISHER:**
Well, there were abuses.

**LEG. ALDEN:**
-- Mrs. Chairman, we lived through the whole process where the reason why we changed this procedure was because of the abuses where people were getting apartments that in the perception was that they were not paying anything for them. And that causes a little bit of a problem with the rest of our constituencies. So, like I said, it's a multi-layered problem that, you know, it's not just going to take -- there's no quick fix here.

But just to follow-up one other point, we have about a 50 percent vacancy rate. Is that because of our new policy or --

**COMMISSIONER PAVACIC:**
That is part of it. In some cases -- in many cases some of those vacant units they never been rented because the cost was just too prohibitive. The monthly cost was just too prohibitive for anybody to even enter into an agreement because it is limited to County employees. And it's not -- not to anybody else. And that is one of the major considerations. Others is just as the increases have kicked in over time, it has just been too much of a financial burden to bear by the particular tenant. And some of them have moved out. For example, the last one I was aware of was Robert Cushman Murphy Park, one person had moved out of there during the past year because of the increase.

**LEG. ALDEN:**
But even prior to the increases, I remember between 20 and 50% vacancy rates on the units. And

we had had the discussion of how we can actually encourage people to take advantage of even the old program to move into some of those units.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Well, it's something we're looking at. And thank you for your input, Legislator Alden.

Another issue that -- on which I received correspondence, Commissioner, was the condition of the Sweet Hills Riding Center and the treatment of the horses there. And it says here that you were copied on that?

**COMMISSIONER PAVACIC:**
Yes, I did receive a copy of that complaint. And I've asked our field staff and auditing unit to investigate that immediately and report back to me.

**CHAIRPERSON VILORIA-FISHER:**
Okay. So you'll let us know --

**COMMISSIONER PAVACIC:**
Yes.

**CHAIRPERSON VILORIA-FISHER:**
-- what kind of condition they find that in.

**COMMISSIONER PAVACIC:**
Yes.

**CHAIRPERSON VILORIA-FISHER:**
Okay. I also mentioned to you earlier that during our meeting of the Ways and Means Committee, the Real Estate Department presented a resolution that would be transferring, I believe it's 71 parcels to the Department of Parks, Recreation and Conservation. And I would just like to request that -- the Department of Real Estate has indicated to me that we have to go through a process before they are actually dedicated as parkland. Will you just keep us apprised of where we are in that process as these become dedicated?

**COMMISSIONER PAVACIC:**
Sure. Because until you've mentioned this to me, that was my first notice that this was about to occur. So I'll reach out to the Real Estate unit and ask them for more information on that.

**CHAIRPERSON VILORIA-FISHER:**
Cameron, these are the ones we saw this morning. Okay? And I also had met recently with Alpa Pandya from the Nature Conservancy who had presented to me a very -- a number of very robust plans on invasive species, grassland restoration projects and a rapid response team for invasives. Now, how many of these are feasible? I think -- you know, you mentioned that you had also spoken with the Nature Conservancy?

**COMMISSIONER PAVACIC:**
Right. We last month at the end of January, we had a meeting with the Nature Conservancy. They brought a contingent of their specialists to my office and met with myself and other staff folks in Parks and went over their comprehensive program. We've partnered with Nature Conservancy on a number of projects over the years. So none of that is anything that's new to the Parks Department. We already are working with them on a number of invasive species control efforts. And what they were outlining were some additional efforts that we're proposing to jointly undertake in a number of parks.

**CHAIRPERSON VILORIA-FISHER:**
By the way, I'd like to welcome our Park Trustees who are with us here today. Thank you for being

here. I thought of you as -- I thought of you earlier when I said hello, but one of the items that was mentioned -- oh, you split up -- you're not all sitting together -- was the control burn method of working on the health of our forest -- reforestation, right, are we using any control burns or are we looking that as one of the methods that we're using?

**COMMISSIONER PAVACIC:**
Yes. In fact we had some discussion with Nature Conservancy on that. We have done control burns on grassland habitat out at Montauk at Theatre Roosevelt County Park. We have not done any control burns beyond that. And we have not done any there at that park in, I believe, the last four years.

What we've been working on is a more formalized agreement with the Nature Conservancy to provide some of those services to us. And we're working through that right now. We're getting very close to formalizing that agreement. Once that agreement is fully executed, we'll be looking forward to areas in which we can apply prescribed burns. I'm very familiar with that having been trained in prescribed fire techniques. I do have a -- I've qualified myself in the wildfire firefighting courses. So I'm well aware of the good things that prescribe fire can accomplish. And we'll certainly be looking to apply those methods where appropriate in County parkland.

**CHAIRPERSON VILORIA-FISHER:**
Now when you have prescribed fires, does that have a two-pronged purpose to it? It's for the environment, right, a creation of grasslands also for birds; yes?

**COMMISSIONER PAVACIC:**
There's several important aspects of doing prescribed burns. First of all, the ecological and environmental importance and benefits of that. Also especially in an area, say, of the Central Pine Barrens, there's also the dual purpose of fire suppression. As you remember the wild fires from 1995 that went on for a long period of time burned a lot of area and also threatened a lot of properties. One of the -- the beneficial aspects of a prescribed burn is that you're actually consuming flammable fuel in a controlled method. And by so doing you're preventing a wild fire from cropping up in that area in the future. So that's a dual role that prescribe burns do provide.

**CHAIRPERSON VILORIA-FISHER:**
And they mention that last summer during the California fires because there was so much underbrush, that's what made the --

**COMMISSIONER PAVACIC:**
That's right. It's one of the -- the Pine Barrens, for example, are a fire based ecosystem. There were periodic fires that went through there. And one of the concerns has been that a lot of debris and detritus has built up in these areas. And that in a very dry conditions, as we saw in the wildfires of '95, that could take off as a wildfire. So prescribe burns would help to address that as well.

**CHAIRPERSON VILORIA-FISHER:**
Okay. I had also had a question about the skate park, the RFEI, I was wondering about the status of that; that skate park?

**COMMISSIONER PAVACIC:**
The skate park, the RFEI Committee met recently and met to cast their ballots in regard to the proposals that they were presented with. We don't have the complete results yet, but as soon as I know what the results are, I'll provide that to you.

**CHAIRPERSON VILORIA-FISHER:**
Okay, thank you. And I had received this also in my office. This is from the Suffolk County Archeological Association. And if I have this and just now Legislator Alden gave me his copy, this is regarding a collector's -- well, a collection of artifacts from the Chandler Estate. And there's a request to house some of these artifacts at the Scully property on the third floor. I'll give you a --

oh, I was going to give him a copy of that. Thank you, Cameron. I guess you weren't copied on this, Commissioner?

**COMMISSIONER PAVACIC:**
Actually, yes, I was. I have received a copy of this. I believe Ms. Stone did send a separate letter to me with the same information. At this point and for the near future I don't foresee the Scully Estate being available for housing or becoming a repository for archeological artifacts. I am going to be talking to our historical services unit and asking them for their input as to what we should do in terms of receiving this collection and then curating it and housing it in an appropriate County facility.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Thank you. Legislator Alden.

**LEG. ALDEN:**
Through the Chair, could I make one other suggestion, too? Is maybe reaching out to either Stony Brook or Suffolk Community College, Dowling, something like that and seeing if they want to partner with us because I notice that she mentions, when she says in Connecticut or some other state that they partnered with a university or some kind of a higher educational facility.

**COMMISSIONER PAVACIC:**
Certainly I'll definitely talk to our Historical Services Unit about that partnership.

**LEG. ALDEN:**
Good.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Any other questions on general issues for the Commissioner? Okay, Commissioner, we'll probably ask you to join us again when we go through the agenda. Thank you.

**COMMISSIONER PAVACIC:**
Thank you.

**CHAIRPERSON VILORIA-FISHER:**
We'll go to Budget Review to give us an overview.

**MR. REINHEIMER:**
Thank you very much. As you know, the Budget Review issued their annual report of the Vanderbilt Endowment Trust Fund on Monday. And I'd like to give you an overview of some of the highlights of that. In addition I'd like to give some overview about the endowment fund for some of the members that are new to this committee.

The Vanderbilt Endowment Fund was established in accordance with the last will and testament of William K. Vanderbilt with his initial bequest of $2 million. In 1973 the fund received an additional $6.2 million from the daughter of William Vanderbilt, Murial Vanderbilt Adams. So the original corpus of the fund is 8.2 million.

The Suffolk County Legislature has fiduciary responsibility over this fund. In addition this fund provides the museum with its greatest source of revenue $1.2 million per year and has been doing that for many years.

The fund has reached or reached a high of $17 million in January 1999, but declined sharply during 2002 and 2001 and down to a value of $13 million. During the past several years the fund has been around 12.5 million and continued to make $1.2 million distributions to the Vanderbilt.

It's our concern that the goal of providing the Vanderbilt with a steady $1.2 million endowment distribution each year and trying to grow the fund at the same time to meet the future needs of the Vanderbilt are difficult goals to do at the same time. Under the current financial markets the fund has now dropped below 12 million to a value of eleven point million dollars as of yesterday. Here's a little historical information about the fund.

**CHAIRPERSON VILORIA-FISHER:**
Eleven point -- I couldn't hear you.

**LEG. D'AMARO:**
What was that?

**MR. REINHEIMER:**
Yesterday, $11.7 million was the value of the fund. And it's been in that range since the beginning of this year. And the fund continues to make its distributions to the Vanderbilt.

Some of the summaries and highlights of our report, I'd like to go over. During 2007, the fund gained 7.12 percent overall a total return; while at the same time the fund declined by over $300,000. This is after distributions of $1.2 million to the Vanderbilt and fees of $22,000.

The fund stock portfolio return 10 percent during 2007, which compares favorably to the main equity indexes. And at the same time their bond portfolio returned at 3.2 percent total return. I'm sorry. Which returned a 3.48.

Our current investment policy allows the continuation of the $1.2 million distribution as long as it doesn't deplete the fund down to the original corpus which is $8.2 million. Authorization for the continue of the $1.2 million distribution expires this December in 2008. If the Legislature wishes to continue this, it would require another resolution.

Looking at the value of the fund at the end of 2007, it's anticipated to continue the $1.2 million distribution will require --

**CHAIRPERSON VILORIA-FISHER:**
Lance, can we follow along in the report that you gave us?

**MR. REINHEIMER:**
This is a summary. It's in the back. I kind of collapsed some of the --

**CHAIRPERSON VILORIA-FISHER:**
Okay. Because I was looking for where you were and couldn't find it. Okay, so it's a summary. Very good.

**MR. REINHEIMER:**
Yeah, it's just a brief summary to have on the record. Many of these things are at the back of the report in the summary. And a lot of this that's being covered by us will be duplicated by Bank of America in their presentation. To continue the $1.2 million distribution of annual income will require distribution of capital gains of about $780,000 during this year.

Our final recommendation this year is to issue an RFP for investment services. And this is just in keeping with our current policy on going out for an RFP periodically and in no way reflects the service of Bank of America or the current investment advisers. As a matter of fact Budget Review is very pleased with the work that they've done. And we've got a good working relationship with them. That's a quick summary of the major highlights of our report.

**CHAIRPERSON VILORIA-FISHER:**
Lance, when was the last time we issued an RFP for investment services?

**MR. REINHEIMER:**
2004.

**CHAIRPERSON VILORIA-FISHER:**
So the recommendation is to do it every three years?

**MR. REINHEIMER:**
Three to four years is standard procedure, that's correct. And, you know, under these current financial markets, it's prudent to go through the RFP process at this time, too.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Thank you. There's a question, Legislator Stern.

**LEG. STERN:**
Yes, thank you. Lance, for how many years have we been making this $1.2 million distribution? How many years has that been the number?

**MR. REINHEIMER:**
In 1994, the Legislature for the first time authorized distributions from realized capital gains. Prior to 1994, only the distributions were from income, which is dividends and interest. Prior to that point in time the high interest allowed them to do that, to make the distribution and to meet the income qualifications or needs of the Vanderbilt. In 1995 interest rates started to decline. The income needs of the Vanderbilt were increasing. And the Legislature opted to make a $1 million distribution. And that was done for about four or five years. And then it was increased to 1.2 million. So over the course from 1995 through 2007 the Vanderbilt has received at least a million dollars from the endowment fund, which is a good record considering that the fund, you know, distributed a million dollars a year and continued to increase and, you know, through 1999. And, you know, it reflects the markets.

**LEG. STERN:**
You had stated that the return on the stock funds were better than average, but how would you rate the return on the bonds?

**MR. REINHEIMER:**
The bond fund was a little bit below the Lehman Brothers bond index. The bond fund was 3.48 total return. The Lehman Brothers aggregate bond index was 6.96 percent so it's a little bit less than that.

**LEG. STERN:**
And how would you characterize Bank of America's fees? Are they on the high end, the low end? Is it reasonable for the industry?

**MR. REINHEIMER:**
The fees are forty bases points which is point 4 percent based on the value of the assets. And right now the assets include $4.5 million in bond and equity funds which are excluded from their investment fees because embedded in mutual funds are management fees. And it's quarterly. $22,000 is all that they paid in investment fees. So I would say that's pretty low on a value of $12 million.

**LEG. STERN:**
Very good. Thanks.

**CHAIRPERSON VILORIA-FISHER:**
Did you have a question?

**LEG. NOWICK:**
No.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Any other questions? Thank you very much, Lance. We'll have the gentlemen from Bank of America, please join us.

**LEG. ALDEN:**
I'm sorry, madam Chair, just to set the stage, too, maybe Lance could go over -- at one time I think we were almost all in bonds or it was a very, very conservative investment portfolio. And then it loosened up a little bit to allow for the capital gains.

**MR. REINHEIMER:**
That's correct. Many, many years ago beginning of the 1990's, they were mostly in bonds which at that time with the high return on bonds provided the income they needed. However, at that point in time the principal was not growing. And since that time we took a broader approach to provide to try to provide current income and to grow the principal. And our concern really is the future after all of us have gone, and hope that the Vanderbilt Museum goes on into perpetuity that we need to grow this fund.

However, at the same time the Vanderbilt does need steady, reliable income. We're not advocating reducing the programs or hours. They've made a lot of great strides there. They are very dependant upon this income. And this is what makes it very difficult because we're weighing the future needs of the Vanderbilt to the current needs. And we don't want to sacrifice the current needs because it's just hard to replace. If they cut programs, it's hard to start up again.

**CHAIRPERSON VILORIA-FISHER:**
Well, they would cut revenue, too, if they cut programs.

**MR. REINHEIMER:**
That's correct, of course. And also it's -- their gate receipts would go down greater in the proportional cuts; because if it's not open everyday, if the people have the feeling that the museum is only open part-time, they'll even get less receipts.

**CHAIRPERSON VILORIA-FISHER:**
Gentlemen, before you begin, we just want to make sure your mikes are on. There's a button right at the top of the mike. It's on? Okay, great. Thank you for coming. Please state your names for the record.

**MR. AMICO:**
For the record, my name is Bryan Amico. I'm a Senior Relationship Manager of Bank of America on the Vanderbilt Museum account. To my right is Charles Byrne. He's the institutional portfolio strategist with regards to the museum.

So first thank you for having us and inviting us. What Charles is going to go over is he's going to be not only discussing the current performance, the past performance from '07; but he's also going to talk a little bit about the current economic and market environment that we're going through right now as well as talk a little bit about the future and what the bank perceives in the coming months being the volatility that we're seeing right now. So on that note, I'm going to hand it off to Charles.

**MR. BYRNE:**
Thank you. Again, for the record my name is Charlie Byrne. My name is Charles Byrne. I work at Bank of America and pleased to be involved with this relationship. And I think Lance did a great job summarizing the performance for the portfolio last year. But just to give a little background of what happened, I think we're all aware that it was a challenging market environment to be in. Despite the headlines, I was pleased with the performance of the portfolio. The S & P last year was at five

percent.  The equities in the portfolio, which is diversified portfolio, was up over ten percent.

Part of the headlines that dictated -- that caused the market to strain and suffer were, of course, in the financial markets.  We experienced significant resistance and pressure last August when two hedge funds from Bear Stearns faced liquidity crisis.  And from there the market had a new sense of risk.  And there was a flight to quality and there was also a stress in the financial markets.

A few things that happened last year that were particularly -- that this portfolio and others benefitted from and that was the focus and the flight to higher quality names.  This portfolio, the vast majority of the portfolio is positioned -- if you break the portfolio down, 54 percent of the portfolio holds equities, 43 percent holds fixed income.  Within the equities the largest portion is comprised of large cap stocks.  And last year the large cap stocks were the beneficiaries in a tough market environment.

It's our view that going forward that this particular asset class within the equity markets should hold -- should perform better than other asset classes.  So to the extent that we're looking to position the portfolio and keep it in its current form, you know, certainly the large cap exposure is one that we like and I think that we should probably stick with.

The fixed income market, if I make a point, I know the returns on the fixed income relative to the benchmark were lower.  The actual returns, I believe, were 3.8 -- 3.48 versus the Lehman Aggregate Bond index.  I don't think that that's actually an accurate index to compare the performance of the bonds.  The bond composition is -- $2.9 million of the bonds are held in short term fixed income instruments.  The Lehman Aggregate is a much longer period.  So to compare the two is not necessarily comparing apples and oranges.

But that said, the way the portfolio's positioned, I'm pleased with the performance that it did last year in a tough challenging year.  Going forward the portfolio is diversified.  It has -- it's diversified across sectors.  A large cap portion of the portfolio is entirely in individual stocks.  Further diversification is achieved through mutual funds in our small mid cap in international areas.  International last year was a strength in the portfolio.  You know, we see that as a positive going forward.

The low US dollar was certainly a strength to the performance here where 70 percent of the return came from a weak dollar.  That said the weak dollar that we currently have should further stronger performance in both the US and non-US sectors.

If I could just direct your attention to tab one, page 27, I think you can all see the current makeup of the portfolio where it starts off as of 12/31.  And Lance spoke to much of this.  At the end of the year the portfolio was 12.3 million.  January obviously has been a difficult month.  And February has continued that.  The good news is that the market values in February and January have somewhat sustained themselves.  And current market value as of yesterday was a little over 11.7 million.

A few important items to note here, the performance -- if you look at the income because I know the income is important to the portfolio and the fund and the endowment, but the overall return, a significant portion came from income and capital appreciation.  If you look at the current yield of the portfolio, it's at 3.48 percent.  That's 439,000 in income that is being applied to the 1.2 that is being distributed to the museum over the course of the year.

Again, the large cap corp space is the largest part of the equities.  And that's really where the performance came last year.  We had 11 percent of the total performance come from the large equities.  The international had 9 percent.  The small mid-cap were somewhat flat.

And I think if you -- from a performance attribution standpoint, you'll want to look to the last page and section two, which is -- actually it would be page 36 in the book if it were numbered.  But manager's selection is important in managing a portfolio.  And I believe that the way the portfolio is constructed given the risk tolerance for the portfolio, the portfolio is accurately positioned for this type of risk tolerance. We're looking at -- the strategy of the portfolio is a 50/50 split. And we have a tactical allocation 54 percent towards equities, the balance towards fixed income.

**CHAIRPERSON VILORIA-FISHER:**
Legislator Alden.

**LEG. ALDEN:**
You said the risk factor or the risk tolerance as determined by who? Because that was going to be one of my questions when you're done with it. If we came to you and said, you know, we're the client, we have 8, 10, $12 million, we'd probably need about a million dollars or a little bit over a million dollars a year. And we have a long-term out look or a long-term investment basically here forever. So would you have done anything different here or, you know, your risk tolerance is because of something we said to you?

**MR. BYRNE:**
Given this type of strategy, this is exactly the way I would manage it. It's a 50/50. The target has been a balance between 50/50 equities. There's been a tactical positioning over waiting equities. And within that there's been even more of an active positioning towards the large cap space which has certainly driven the performance here. There's been an active component not to invest in small cap stocks to the extent -- I mean there is some exposure but it's certainly been under weighted. There's been an over weight in international which has helped the portfolio.

So given this type of target, and there's been this -- this target has been in place for a longtime, and it's worked. If you look at the last five years of the portfolio, it's lost 60 months. And in 12/31 the portfolio has done very well. It's averaged over 9 percent annualized return every single year. That's a very -- by historical standards and historical returns, that's a high percentage. If you look what the forecast is going forward for this type of strategy, it is much lower. The forecast -- our forecast and what we do is when we're managing assets, we look at each asset class, what we expect inflation to be, what the expected returns to be based on future market conditions in pass. And this type of strategy if you looked at in from a pure statistical standpoint, we'll have expected returns much lower of a high six range; 6.7 to be precise. That's what that type of returns would be. But to your question, if you're looking at a higher withdrawal amount, then, there's different -- there's changes that could be made or to consider.

**LEG. ALDEN:**
Also, the time frame that we're looking at is basically, I'm going to say, almost forever. So it's not a short term time frame for the investment; yet we know that we have a need on a short term basis. So a year by year basis, we need a million, 1.2 million, something like that. So given those starting points, would it be -- would it be -- I'm not going to say beneficial, but would it be one of our choices to make -- to go a more aggressive strategy?

**MR. BYRNE:**
I think there's really probably two issues here, or a few different issues. But one is the allocation towards equities. A few things that are constant. The more equities that you have in the portfolio, over the longer term, and I don't know mean, two, three, four, five years, I mean a long --

**LEG. ALDEN:**
20 years.

**MR. BURN:**
In perpetuity; equities historically will benefit the portfolio. And a higher allocation to equities beyond the 50 percent here will have the greater chance of increasing those dollars long-term, yes.

**LEG. ALDEN:**
Sorry to interrupt.

**MR. BURN:**
And I -- to your next question, I performed -- because I know this a question of the Committee, is the allocation right for the portfolio? And also is the amount that is being withdrawn sustainable given the allocation? I have put forth in tab two -- I think it's important to understand, you know, what it means for different allocation. When managing endowments and foundations, which is what we do, typically the range -- I would say it varies from organization to organization. But the average target for equities is usually or can be, and it's dictated by the -- ultimately by the organization, 60 percent equities, you know, would be a good starting point to think about versus sustainability over the long term. That said, what the -- the portfolio has certainly down very well here. We've had over 9 percent over the last five years which is above the norms. So I think it's -- you know, it's done well. And the active portfolio management has certainly, you know, worked to the benefit of the portfolio.

**CHAIRPERSON VILORIA-FISHER:**
Okay.

**MR. BURN:**
But looking at the allocation, just to give you a sense of what it means for a 50/50 allocation, assuming all things being equal, this assumes -- and if look to tab two, I've given an example of -- I took a market value of 11.4 million less than the portfolio is now, assumed -- actually if you took 10 percent out each year, adjusted it for inflation and took a variability analysis, in worst case scenario, best case scenario and you can see overtime that the portfolio depletes. And this is -- this is not scientific in the sense that it's -- I didn't take a fixed dollar amount. Taking a fixed dollar amount, it would be a different result and more aggressive in the analysis.

But the point here is there's two things. One, an increase in the allocation would serve the fund in terms of growing it long-term. That maybe you have to think about the market conditions right now. Certainly we're in an area where there's heightened volatility. And the next year from our forecast is one that should experience further turmoil. But that's a factor, but from a long-term investment stand point, you have to balance those out.

**CHAIRPERSON VILORIA-FISHER:**
Was there more to your presentation?

**MR. BYRNE:**
I'd be happy -- I mean there's a significant amount of material in the book and I'd be happy to take specific questions which I think might be more relevant.

**CHAIRPERSON VILORIA-FISHER:**
Okay, Legislator Stern.

**LEG. STERN:**
Just one quick question maybe just to summarize what you've pointed out here, I guess it's on two? Is that the one that you were just looking at?

**MR. BYRNE:**
Yes.

**LEG. STERN:**
If we continue on the current course of the 50/50 allocation with today's current value and reducing it by 10% with all of these other factors built in, if there's an absolute floor of about eight million, $8.2 million, was that the number, after ten years we will have just about hit that floor. In your chart here it's at 8.7 million. Is that correct?

**MR. BYRNE:**

That's from a --

**LEG. STERN:**
You're saying if we remain on the current course?

**MR. BYRNE:**
Right. That's looking at it from --

**LEG. STERN:**
In ten years we'll be down to just about that number?

**MR. BYRNE:**
Pure forecast. However, if you look at what happened in the last five years, that would not prove to be the case; correct? Because the last five years the -- our forecast for this type of allocation are that over an investment cycle, long term period, the portfolio should have 6.7, under 7 percent. That's just for the forecast for an asset class. Grant it, what we're trying to do is pick stocks and beat the index and out perform that. But even if you look at what happened in the last five years, you know, we're looking at a blended portfolio of nine percent but I think it's important to understand, you know, the way it's positioned, what could happen in any given scenario.

**LEG. STERN:**
Very good.

**CHAIRPERSON VILORIA-FISHER:**
Now, Charlie, did you do a comparison chart to the one that you have in tab two with a different allocation? With a 60 percent allocation?

**MR. BURN:**
Well, I didn't. But what I can show you is if you moved -- if you turn to page 17 in the book -- I'm sorry 18. Page 18. This is -- in managing investments for various clients, there's a starting point. And our starting point is a statistical forecast. And this gives you a sense if you look at the different allocations and there's a top part of the page and a bottom part, looking at the top you see all fixed income, towards the bottom it's all equity. The type of allocation, and this is a very broad model, but you can see that a balance return has an average return of 6.8 percent. As you introduce more equities in the portfolio, the returns go up. What also happens is the variability in the returns also goes up. And the likelihood of greater swings will occur. I mean I can perform that -- I can tell you that the difference between 50 percent and 60 percent it improves certainly. In other words the more equities you have, the longer the assets will be able to sustain themselves.

**CHAIRPERSON VILORIA-FISHER:**
Because you had said there are two elements that we should be looking at, which is, is the allocation right and is the amount that we're withdrawing from it sustainable. It's been represented to us that if we were not to take out the income for the operation of the Vanderbilt, if you cut programs then you're cutting into other revenue sources. So that you would take a double hit in your revenue stream. So it seems to me there is one area that we're looking at and not two because the museum wouldn't be sustainable if it had less income. So then our only choice would be to look at the allocation. Lance, am I -- let me just finish this thought. Lance?

**MR. REINHEIMER:**
That's correct. I think the way the portfolio is structured now with a balanced portfolio is probably the way we need to go because we're trying to go in two mutually exclusive areas. We're trying to provide as much income as we can, but we're looking towards the future. It's being managed in a way to try to maximum capital appreciation which, you know, to have a 10 percent return over the past five years is just phenomenal. You don't even get that from all equities. So, we're really walking the line. So, you know, it's -- structuring it, you know, if you go more towards income producing, you know, bonds, you're giving up capital appreciation. And if we go more to equities, of

course, you're increasing the risk and you're sacrificing steady predictable income. So, you know, balance, I think, is the way to go at this point to try to satisfy all parties.

**CHAIRPERSON VILORIA-FISHER:**
Legislator Alden.

**LEG. ALDEN:**
Actually, if we're looking at the problem, and I see it as a problem, you have to look beyond just our little portfolio. And you have to look at other ways to raise revenues. Are there other programs that we can institute? Should Suffolk County be given a small stipend to the sustainability of basically the operations?

**CHAIRPERSON VILORIA-FISHER:**
Right. It looks like we're between a rock and a hard place here. And what you're saying is let's try to be creative and look outside of just drawing from it.

**LEG. ALDEN:**
Outside of -- but then even inside, because one of the things I was going to just ask a couple questions about, right now the bond market is not really that good looking. And if you're going forward, there's probably a better chance of over the next 12 months or 14 months seeing an increase in the -- not in the price of the bonds but the yield on the bonds, which would mean a decrease in the price of the bonds. So, you know, and you've got the failure of two of the largest insurance companies on the bonds that we're probably investing in --

**MR. BURN:**
Well actually, you're right about the points. I mean we expect that the yield curve will probably increase further. The good thing about the portfolio as it's structured here is that a significant portion -- actually 2.9 million is short term. And, you know, it's been tactically there for a reason, you know, because that was the best part of the curve and it didn't make sense to go longer. So as we see things become more clearer and fixed income environment stabilized, we'll be looking to move out further to capture that which would subsequently carry forth, you know, higher yield to the portfolio.

**LEG. ALDEN:**
Yeah, because the chances are the fed will cut in the short term, but they're definitely going to go and raise because they've got the inflation problem that they're looking at. And the biggest way that they can do that is, I mean let's nare out of the liquidity, but the biggest thing that they've used in the past was the interest rate. So if they start pumping that up, it's going to translate into higher and higher interest yields.

**MR. BURN:**
True. I mean we're anticipating right now the fed funds is rated at 3 percent. We're looking at another 50 to 75 basis point cut this year.

**LEG. ALDEN:**
So within the portfolio, you know, we could go, and they have structured it, you know, I think, you know, very well really on the short term. But within that portfolio if you're looking for long-term capital gains, you know, some people say that now is the bottom or very shortly but, you know, you don't try to time the bottom---

**CHAIRPERSON VILORIA-FISHER:**
How low is bottom.

**LEG. ALDEN:**
Right. You don't try to time that. But the capital gains might be the way to go. And I'm not advocating for one way or the other. I'm just pointing out that there's a number of ways to look at,

you know, our portfolio right now going forward.

**CHAIRPERSON VILORIA-FISHER:**
Well, gentlemen, there are other people who are going to speak to this. Can you just be available in case we have any further questions? Thank you very much.

Carol Ghiorsi Hart and Steve Gittelman, please come up.

**LEG. ALDEN:**
Actually you guys did a great job in this market.

**MR. BYRNE:**
Thank you very much.

**CHAIRPERSON VILORIA-FISHER:**
Now you're going to tell us that there's a great benefactor who's going to pump a couple of mill into our budget every year for this.

**DR. GITTELMAN:**
Well, there is a benefactor, in fact, that offered a million dollars in the year 2000. And the --

**CHAIRPERSON VILORIA-FISHER:**
Well, we're working toward finishing our end of the bargain, right? Isn't that in the Capital Program? Finishing the --

**DR. GITTELMAN:**
It is. And I think that what I wanted to do is give perspective to this because 14 years ago when we made this change, I have to admit I was part of the group that had the idea. And so I have to take some responsibility for whether it worked or it failed. And I want you to understand that it was an overall plan. It wasn't just -- we're going to go ahead and take income.

First of all, if you notice, we went to 1.2 million. And that's over ten years ago. And if you want to count the inflation rate, I don't have an exact number, but Lance probably does, but if you look at the inflation rate between 3 and 4 percent, that means that 1.2 million was reduced in purchasing power every year for the museum to the tune of 30 to $40,000. Do that over the 14 year year span that we're speaking about, what was once 1 to 1.2 million is now 500 to $600,000 in today's money or maybe less because that's not compounding it.

So in reality the money that we took in 14 years ago is halved in terms of its purchasing power. But the museum's budget is still balanced. So we took in -- we're getting less money and we're balancing the institution and we're stripping it. We have to admit, we're stripping it. Okay? And when I say stripping it, I mean -- I mean we're making the cuts that we have to do in trying to raise the revenues that we can. But one of the things that we're missing was the other leg of the table. There were capital projects that were tied into this. And I know, yes, they are coming about hopefully now, but I'm asking your diligence, I'm pleading for your diligence, okay?

The capital projects, for example, the one in 2000 for the waterfront, if that waterfront was in place and it was actually clocked and agreed to be place by 2003, okay, we are now -- the initial contribution was made in 2000. Bill Rogers is still willing to make the rest of the million dollars contribution. But we haven't built it. So if we have that extra leg of the table, I would turn to you and I will say to you now what I said to you then, I don't want a subsidy from taxpayer dollars. I have been the Chairman of that board for 17 years and I might just have thrown away the 18th. But I'm telling you right now I don't want taxpayer dollars to support this museum. I just want the capital projects that we have all studied and agreed upon to be completed so that we can earn our way away from being dependent on this endowment. That's the alternative plan.

**CHAIRPERSON VILORIA-FISHER:**
Okay, and we hear you, Steve. That would be a one-shot so we do have to look at the broad picture, you know, what we try to do here is look at the broad picture. And I understand what you're saying. I know that you know some of us have been fighting to get that moving.

**DR. GITTELMAN:**
I know you have.

**CHAIRPERSON VILORIA-FISHER:**
Can we carry from Carol? Because we're bumping up against our next committee. And then we'll ask questions.

**MS. GIORSI HART:**
Right now the museum is operating with a balanced budget. We completed 2007 with a balanced budget. We have revised 2008 operating to be a realistic budget based on past performance. And we expect to be able to be balanced within this year as well.

**DR. GITTELMAN:**
And 2006 audit.

**MS. GIORSI HART:**
The 2006 audit has been completed. Audit committee has met. We expect that audit to be approved at the next board meeting in March.

**CHAIRPERSON VILORIA-FISHER:**
Carol, reactions to the presentation?

**MS. GIORSI HART:**
Excuse me?

**CHAIRPERSON VILORIA-FISHER:**
Your reaction to the presentations that we just -- my mike is not on. I'm sorry. That's why you couldn't hear me, sorry.

**MS. GIORSI HART:**
No, I agree totally with Steve. We're working very hard at the museum for our future to be the good stewards that we know we need to be. We had a wonderful week last week. President's week was probably one of the best weeks in decades.

**CHAIRPERSON VILORIA-FISHER:**
And loads of people for the lunar eclipse. That was great.

**MS. GIORSI HART:**
Yes. And what it showed to me was that the public is out there. They're interested. They want to come. We just have to have programs and the facilities for them. And when we have something, they are there to come. So it's not a narrow interest kind of institution. We just have to get all our ducks in a row.

**CHAIRPERSON VILORIA-FISHER:**
And you need a better sign. And I say that every year. Legislator Alden.

**LEG. ALDEN:**
A couple of key questions and I know the answer to it but can you cut your operating budget any further without gutting the programs and gutting the --

**MS. GIORSI HART:**

No, we have cut back as far as we can possibly cut. Staff has been cut tremendously. We're basically running on an austerity budget trying to get -- and I keep telling our staff, if we can make it through 'til we get our star projector, our new star projector in, then we'll be over the hump. So we just really are working on austerity 'til we get our new projector.

**LEG. ALDEN:**
Okay. And Dr. Gitteleman hit on the other question that, you know, has to be asked. New programs, new income, new sources of income are dependent us giving you the capital programs. So --

**DR. GITTELMAN:**
Right. And one of the things that we've developed recently is we've become a wonderful venue for photographs and for having weddings and other beautiful affairs at the museum. You will not be able to drive up to that court yard if you go there tomorrow. The bridge is closed.

**LEG. ALDEN:**
Why is the bridge closed?

**DR. GITTELMAN:**
It's collapsing.

**LEG. ALDEN:**
The bridge collapsed?

**DR. GITTELMAN:**
It's collapsing. A meeting of engineers will be there tomorrow to -- have been ordered to --

**CHAIRPERSON VILORIA-FISHER:**
And that's not even the specific Capital Program we're talking about.

**DR. GITTELMAN:**
It is one of the capital programs that's on the books.

**CHAIRPERSON VILORIA-FISHER:**
No, I'm referring to the -- the part that, you know, tell me his name again.

**DR. GITTELMAN:**
Bill Rogers.

**CHAIRPERSON VILORIA-FISHER:**
Bill Rogers.

**DR. GITTELMAN:**
No.

**CHAIRPERSON VILORIA-FISHER:**
That was a different Capital Program.

**DR. GITTELMAN:**
That's right. We're talking about the bridge that we have all walked and all loved all these years; is starting to -- it's starting to decay. And it is no longer -- we have been given a notice by the County that we can't use it.

**LEG. ALDEN:**
But DPW came in and gave you an estimate of what needs to be done, right, to fix it or no?

**DR. GITTELMAN:**
They're meeting tomorrow.

**LEG. ALDEN:**
Okay, good.

**DR. GITTELMAN:**
We got to finish these capital projects. We can't wait.

**CHAIRPERSON VILORIA-FISHER:**
Yes. We hear you. Thank you very much.

## INTRODUCTORY RESOLUTIONS

We're going to move to the agenda. The agenda will be the shortest part of the meeting, I think. IR 1007. Legislator Alden, go ahead.

**LEG. ALDEN:**
Can we keep you there for just one minute because of the first one and the last one.

**CHAIRPERSON VILORIA-FISHER:**
Yes, we have several items that -- just stay at the table, please.

**LEG. ALDEN:**
Sorry.

**CHAIRPERSON VILORIA-FISHER:**
**1007, adopting local law to expand qualifications for the Vanderbilt Museum Trustees. (Cooper)** This would be one that expands the qualifications, you know, to include education background, fundraising abilities, you know, which, I think, is a really critical issue.

**DR. GITTELMAN:**
Fundraising was regrettably never part of the repertoire of skills that were -- made somebody qualify. And I love my trustees. They're a great board, but we need to raise more money. And we need you to send people that will help us do that. And now with this you'll be able to do.

**LEG. STERN:**
So you support the resolution?

**DR. GITTELMAN:**
I support the resolution.

**CHAIRPERSON VILORIA-FISHER:**
Okay. I'll make a motion to approve, seconded by Legislator Alden. All in favor? Opposed? **1007 is approved. (Vote: 5-0)**

Wait a minute. Does this have to go public hearing?

**MR. NOLAN:**
It's closed.

**CHAIRPERSON VILORIA-FISHER:**

Okay, thank you.

**IR 1050, authorizing use of Smith Point County Park property in 2008 by the Mastics-Moriches-Shirley Community Library's Family Literacy Project. (Browning)** And they are paying the fee. I'll make a motion to approve.

**LEG. STERN:**
Second.

**CHAIRPERSON VILORIA-FISHER:**
Seconded by Legislator D'Amaro. All in favor? Opposed? **1050 stands approved. (Vote: 5-0)**

**IR 1123, authorizing license agreement with Montauk Fire District for use of GATR site in Theodore Roosevelt County Park, Montauk (County Executive Levy)** This is very important as a safety issue. I'll make a motion to approve.

**LEG. STERN:**
Second.

**CHAIRPERSON VILORIA-FISHER:**
Seconded by Legislator Stern. All in favor? Opposed? **IR 1123 is approved. (Vote: 5-0)**

**LEG. NOWICK:**
Yes, you did.

**CHAIRPERSON VILORIA-FISHER:**
Did I skip one? I'm just rushing right along here.

**IR 1082, authorizing use of Makaham Preserve in Northport by Northport Road Runners Club. (Browning)**

**LEG. NOWICK:**
I'll make a motion and co-sponsor.

**CHAIRPERSON VILORIA-FISHER:**
Co-sponsor and motion by Legislator Nowick.

**LEG. STERN:**
Second.

**CHAIRPERSON VILORIA-FISHER:**
Seconded by Legislator Stern. All in favor? Opposed? **IR 1082 is approved. (Vote: 5-0)** Lots of people out there using the parks; that's good.

**IR 1128, authorizing use of Southaven County Park property in 2008 for a 5K race. (Browning)** And this is by the Shaken Baby's Syndrome Awareness group. They're paying a fee. I'll make a motion to approve.

**LEG. STERN:**
Second.

**CHAIRPERSON VILORIA-FISHER:**
Seconded by Legislator Stern. All in favor? Opposed? **IR 1128 stands approved. (Vote: 5-0)**

**1131, appropriating funds in connection with replacement of the GOTO projector at the Vanderbilt Museum and Planetarium. (County Executive Levy)** And did you have a question about this, Legislator Alden?

**LEG. ALDEN:**
Just one quick update. You had said that you were going to give us some more information whether the 1.4 million was enough or not enough; is that about right?

**MS. GIORSI HART:**
Right now it's enough for us to move forward certainly.

**LEG. ALDEN:**
Okay.

**CHAIRPERSON VILORIA-FISHER:**
Okay. I'll make a motion to approve. Pardon? The question from Legislator D'Amaro is does that mean we're going to need more? Not just yet.

**MS. GIORSI HART:**
Not for this particular project. We will be able to get our new star projector in place and our new systems.

**CHAIRPERSON VILORIA-FISHER:**
Now, what did you use for the lunar eclipse?

**MS. GIORSI HART:**
The lunar eclipse we had a telescope and we had our education staff that talked to them. We did have an eclipse show inside our dome so we were able to use the current Goto projector.

**CHAIRPERSON VILORIA-FISHER:**
The old one.

**MS. GIORSI HART:**
The old one, yes.

**CHAIRPERSON VILORIA-FISHER:**
So it functions but not at a high level.

**MS. GIORSI HART:**
It functions. We only broke down once over the week.

**CHAIRPERSON VILORIA-FISHER:**
Okay.

**LEG. STERN:**
Quick question on it.

**CHAIRPERSON VILORIA-FISHER:**
Okay, I just want to know did I have a second?

**LEG. STERN:**
I'll second.

**CHAIRPERSON VILORIA-FISHER:**
Okay, seconded by Legislator Nowick. Legislator Stern.

**LEG. STERN:**
Yes, just a quick question. Then I just want to get an idea to the timing here regarding the new

projector. Now, you were at the last meeting. The last time we had discussed the new projector was kind of bittersweet for me. Obviously it's something that we desperately need at the planetarium. I also mentioned my father was part of the original design team of the present projector. So sorry to see it go but it needs to be done. But I just wanted to know the timing.

**MS. GIORSI-HART:**
The timing from the time we can place the order and give our down payments, we're probably talking six to nine months depending on when we get the order in. They don't turn around that fast. It's a made to order. Boston is also going to be ordering the same thing. So depending if we get ours in before or after, we still have to work out how quickly we'll be able to get the money that has been appropriated. It's a new kind of project, I guess.

**CHAIRPERSON VILORIA-FISHER:**
So when we approve this, you can't just go put the order in?

**MS. GIORSI HART:**
We are still working out exactly the procedures.

**CHAIRPERSON VILORIA-FISHER:**
Okay. Won't this go to bond -- once it's signed by the County Executive, then it goes to bond counsel, no? Then we have to appropriate. I'm confused.

**MR. NOLAN:**
Well, this will have a bond resolution on Tuesday when it goes out; you know, it depends. I understand they bundle this stuff so they don't do it constantly. Might be a couple of months from now. Is that correct, Lance?

**MR. REINHEIMER:**
Well, once it's approved and appropriated they have the legal authority to go out and start to purchase the equipment. I think there's a question as to who actually puts in the purchase order between Department of Public Works or the Vanderbilt Museum. And I think that's the part that Carol may be alluding to is the mechanics of actually who places the order?

**MS. GIORSI-HART:**
We have been running into just exactly procedure, the mechanics, who places the order. We have a problem in that we're trying to do this shut down which would -- could well be three months for the time of least visitation, where it would impact our budget the least, which would be -- September would be the month to go for if we could move very quickly.

**CHAIRPERSON VILORIA-FISHER:**
Didn't you say three months?

**MS. GIORSI HART:**
Well, six months. So if we could move immediately we might just be able to do that -- oh, the shut down for three months. It could be three months. I mean they're telling us six months conservatively. I'm saying three months. So we probably, middle of August, September, beginning of October, in that area would be optimal for us from a revenue viewpoint. If we can get the money flowing quickly we still might be able to make that window. So that's why timing is important for us.

**CHAIRPERSON VILORIA-FISHER:**
Go, Goto. Okay. We have a motion and a second. All in favor? Opposed? **1131 is approved. (Vote: 5-0)**

That concludes the agenda. If there is no further business, this meeting is adjourned.

**(THE MEETING CONCLUDED AT 2:20 PM)**

{ } DENOTES SPELLED PHONETICALLY