

PARKS AND 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 March 18, 2009.

MEMBERS PRESENT:

Leg. Vivian Vilorio-Fisher, Chairperson
Leg. Wayne R. Horsley, Vice Chair
Leg. Cameron Alden (not present)
Leg. Lynne C. Nowick
Leg. Steven H. Stern

ALSO IN ATTENDANCE:

Presiding Officer William J. Lindsay
George Nolan, Counsel to the Legislature
Ben Zwirn, Deputy County Executive
Lance Reinheimer, Assistant Director of Budget Review Office
Jill Moss, Budget Review Office
John W. Pavacic, Commissioner of Parks
Tracey Bellone, Deputy Commissioner of Parks
Dennis Brown, County Attorney's Office
Brendan Chamberlain, County Executive's Office
Paul Perillie, Aide to Majority Leader
Linda Bay, Aide to Minority Leader
Renee Ortiz, Chief Deputy Clerk
Thomas Ryan, Aide to Leg. Vilorio-Fisher
Deborah Harris, Aide to Leg. Stern
Greg Moran, Aide to Leg. Nowick
Brenden Stanton, Aide to Leg. Horsley
Debra Alloncius, Legislative Rep for AME
And all other interested parties

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

THE MEETING WAS CALLED TO ORDER AT 1:09 PM

CHAIRPERSON VILORIA-FISHER:

Good afternoon everybody. Welcome to today's meeting of the Parks and Recreation Committee. Please join us in the Pledge of Allegiance.

SALUTATION

Thank you. Okay. We have no cards so we will go right to the resolutions. And our first -- Commissioner, if you could join us?

COMMISSIONER PAVACIC:

Sure.

TABLED RESOLUTIONS

CHAIRPERSON VILORIA-FISHER:

The first resolution is the **(1949-08) naming of the fishing pier at Smith Point County Park as the John Fritz Memorial Fishing Pier. (Viloria-Fisher)** It's six months since he died. That will be before our General Meeting. We could get it out of committee, yeah.

LEG. STERN:

Madam Chair?

CHAIRPERSON VILORIA-FISHER:

Yes. Okay.

LEG. STERN:

On the motion? Did you make a motion?

CHAIRPERSON VILORIA-FISHER:

I haven't made a motion yet because Legislator Nowick had a question. I just wanted to say that it was before the Naming Committee. And I was going to refer to you and ask you --

LEG. STERN:

I was going to ask to help out there.

CHAIRPERSON VILORIA-FISHER:

Okay, thank you. But I did first want to mention that before it came to us and to the Naming Committee, that there had also been a resolution by the Parks Board of -- by the Parks Trustees. So Legislator Stern is a member of the, I guess, it's called the Naming Committee, Legislator Stern?

LEG. STERN:

The Siting.

CHAIRPERSON VILORIA-FISHER:

Okay, the Siting Committee. Okay. So Legislator Stern will give us a report on that.

LEG. STERN:

Yes, thank you, Madam Chair. I just want to report back to the Committee that our Committee did

meet. And there was much discussion about this resolution. The time period has passed. This is now eligible to come before us to be acted on but was taken at our Committee and the naming was approved. So we are ready to consider it and move forward.

CHAIRPERSON VILORIA-FISHER:

Thank you. Thank you. Okay, that being said, I will make a motion to approve.

LEG. STERN:

Second.

CHAIRPERSON VILORIA-FISHER:

Seconded by Legislator Stern. All in favor? Opposed? Okay, motion is approved. **(Vote: 4-0-0-1. Leg. Alden not present)** And, Tom, did you say the family would be coming to the General Meeting?

MR. RYAN:

Yes.

CHAIRPERSON VILORIA-FISHER:

Okay, thank you, Tom. Did I call the vote?

MS. ORTIZ:

Yes.

CHAIRPERSON VILORIA-FISHER:

Thank you. All right.

IR 1115, authorizing the transfer of property of Suffolk County Department of Parks, Recreation and Conservation and creating a new Suffolk County Park. (Beedenbender) I will make a motion to table at the request of the sponsor.

LEG. STERN:

Second.

CHAIRPERSON VILORIA-FISHER:

Seconded by Legislator Stern. All in favor? Opposed? IR 1115 stands tabled. **(Vote: 4-0-0-1. Leg. Alden not present)**

INTRODUCTORY RESOLUTIONS

Introductory Resolutions. **1160, extending authorization to construct a skate park in the Town of Brookhaven. (Browning)** Commissioner, did you have any comments on this?

COMMISSIONER PAVACIC:

The Parks Department generally is in favor of it. We had been talking to Legislator Browning about providing funding for a skate park. Attempts have been made to place one in that area for some time, first looking at Smith Point proper, but there were difficulties with that because of the danger to skateboarders coming over the bridge. There's no shoulder on the bridge. There are no pedestrian walkways. And other locations were looked at.

And although I know that this resolution does not address all the items necessarily, it would be our recommendation to discharge without recommendation and then hold -- perhaps hold it at the General Meeting until such time as some of the details can be worked out.

I know the community has contacted us on a number of occasions. They're very desirous of having a skate park in their community which is very, very densely populated and, you know, kids are using

areas that are not designated for skate parks in a number of locations. The details would still need to be worked out obviously with the town and so forth.

CHAIRPERSON VILORIA-FISHER:

Okay, Legislative Counsel.

MR. NOLAN:

I just wanted to discuss with the Committee that the purpose of the resolution is to extend the prior authorization. A number of years ago we amended the Capital Budget and Program to include the \$250,000. We approved the bonding resolution but the money's never been spent.

CHAIRPERSON VILORIA-FISHER:

Right.

MR. NOLAN:

And after five years if we don't reauthorize that money, it just automatically expires. So this resolution doesn't really speak to the specifics of where the skate park is going to go or anything like that even though the idea is to work something out with the Town of Brookhaven to find a site, this is just to keep the funding alive.

CHAIRPERSON VILORIA-FISHER:

Right.

LEG. STERN:

Madam Chair, I'm just wondering if those are the details that the Commissioner is referring to?

COMMISSIONER PAVACIC:

That's correct. You know, the siting details and so forth, the arrangements with the town would be the other details that would be worked out.

CHAIRPERSON VILORIA-FISHER:

Okay. And this is just keeping the funding alive. Okay? I'll make a motion to approve and seconded by Legislator Horsley. All in favor? Opposed? Abstentions? Motion passes. **(Vote: 4-0-0-1. Legislator Alden not present)**

1161, authorizing use of Southaven County Park property in 2009 for a 5K Race. (Browning) And this has the appropriate fee, etcetera, Commissioner?

COMMISSIONER PAVACIC:

Yes, it does. The fee is listed in the resolution.

CHAIRPERSON VILORIA-FISHER:

Okay. I'll make a motion to approve, seconded by Legislator Horsley. All in favor? Opposed? **IR 1161 is approved. (Vote: 4-0-0-1)**

IR 1187, authorizing a license agreement with the Chamber of Commerce of the Greater Ronkonkomas for Raynor Beach County Park, Lake Ronkonkoma. (Co. Exec.) And this is again an agreement that -- is there a fee or -- no, this is a beautification, a kind of stewardship.

COMMISSIONER PAVACIC:

Right, this is a stewardship type of agreement, adopt a park agreement. They've done good work there. And we're hoping to continue that arrangement into the future.

CHAIRPERSON VILORIA-FISHER:

Okay. We're all in favor of free work. I'll make a motion to approve. Legislator Horsley seconds that.

LEG. HORSLEY:

Sure.

CHAIRPERSON VILORIA-FISHER:

All in favor? Opposed? IR 1187 stands approved. **(Vote: 4-0-0-1. Legislator Alden not present)**

IR 1188, approving a license agreement for Shannon Barr to reside in Prosser Pines County Park in Middle Island (Co. Exec.) And just to let everyone know this was one of the properties that came before the Committee that sets the rental fees and looks at the up-to-date appraisals. And this was approved by the Committee. So that being said, I will make a motion to approve.

LEG. NOWICK:

Second.

CHAIRPERSON VILORIA-FISHER:

Seconded by Legislator Nowick. All in favor? Opposed? **IR 1188 stands approved. (Vote: 4-0-0-1. Legislator Alden not present)**

IR 1189, approving a license agreement for Tina Armstrong to reside in Southaven County Park, Shirley. (Co. Exec.) That's the same as the one before. It passed all of the committee's approvals. So I'll make a motion to approve, seconded by Legislator Horsley. All in favor? Opposed? **IR 1189 is approved. (Vote: 4-0-0-1. Legislator Alden not present)**

IR 1190, authorizing a cooperative management agreement with the Nature Conservancy, Inc. (Co. Exec.) And if you could just speak to that a little bit, Commissioner?

COMMISSIONER PAVACIC:

Sure. This agreement will give us -- will finally give us some the tools we need in terms of managing our natural open spaces. One of the key tools that heretofore we have not been able to use is prescribed fire. Entering into this cooperative agreement with the Nature Conservancy will allow us to do that. We're hoping to recommence prescribed burning at Montauk, at Theatre Roosevelt County Park. There's a rare ecosystem at the Maritime Grassland which up until five years ago had been maintained through the use of prescribed fire.

It has not been since that time. And part of the reason was the identification of the need to have a more formal agreement with the Nature Conservancy with whom we had cooperated previously in managing that property. This will also allow us to do other types of ecological management besides the Montauk area, but also in the Pine Barrens, prescribed fire there which we have not done heretofore in any county-owned properties as well as other types of ecological management practices such as removal of invasive species which Suffolk has been at the forefront of addressing. So we're hoping that -- to enter into this as quickly as possible to get that work underway.

CHAIRPERSON VILORIA-FISHER:

Okay, just bear with me for a minute because Counsel had a question about this. Did you just want to ask Commissioner the question?

MR. NOLAN:

Just in the agreement is there consideration? Are we paying them?

COMMISSIONER PAVACIC:

No, this agreement does not address fees. That would -- costs or remuneration, that would be addressed separately on a case by case basis with them. We did -- basically this is just to -- not everything that we do in conjunction with the Nature Conservancy will involve a cost or something

where we have to pay them for their services. But they do have expertise that we do not have in our department. As I mentioned, prescribed fire, they have an entire staff dedicated to that who are well trained and experienced in that. And this would allow us to more formally tap those resources. But this agreement itself does not address the cost.

CHAIRPERSON VILORIA-FISHER:

Okay. Does that satisfy you, Counsel?

MR. NOLAN:

Well, in those situations where there is a cost, will there be separate agreements or is that just something that's going to be worked out on an ad hoc basis?

COMMISSIONER PAVACIC:

There would be separate agreements if we determine that there is a cost where Nature Conservancy is looking for us to pay them for their services. Then, yes, on those particular cases we would have a separate agreement for each one of those that would address that particular circumstance.

CHAIRPERSON VILORIA-FISHER:

Satisfied?

MR. NOLAN:

I'm just curious. Sure.

CHAIRPERSON VILORIA-FISHER:

I mean that seems kosher?

MR. NOLAN:

Sure.

CHAIRPERSON VILORIA-FISHER:

Okay. I'll make a motion to approve, seconded by Legislator Horsley. All in favor? Opposed? Abstentions? IR 1190 is approved. **(Vote: 4-0-0-1. Leg. Alden not present)**

IR 1203, modifying the investment objective for the Vanderbilt Museum Endowment Trust Fund to preserve the \$8.2 million corpus while maximizing income to provide for the future revenue needs of the museum. (Lindsay) Ms. Hart, would you like to come forward? Do you have anything to say about this? I was just speaking with Budget Review about it because I had some questions and Mr. Reinheimer clarified it for me. But do you have any questions or issues with it?

MS. GHIORSI HART:

I haven't really had an opportunity to talk to the board. I've informally talked to a few people, read parts of it over the phone to the President. And he would -- the only thing I remember him questioning is that there was 12 years and why 12 years that --

CHAIRPERSON VILORIA-FISHER:

Something about 12 years. I don't remember that.

MR. REINHEIMER:

Yeah, that was the stated maximum maturity for bonds. And I think part of the philosophy is that they would enter into bonds or purchase bonds through fixed securities with no longer than 12 years because -- just so that they can adjust to market changes. Generally you would have a mixture of bonds some two to three years, some out four or five years so that you would have flexibility in having those bonds mature and turning them into other bonds so you can respond to current interest rates of the market.

Just to give an overview of this, it's changing the current investment guidelines which are 50% bonds and 50% stocks. In this current market conditions, there's too much volatility in equities for this type of endowment especially now that the value's 8.3 million. We're only \$100,000 above the corpus. Market fluctuations could cause this corpus -- could cause the market value to go below the corpus.

So this new investment guideline is changing the mix to no less than 80% bonds and no more than 20% in equities to give some flexibility or to respond to the market to try to increase income but not go into equities that are too volatile at this time. The current revenue from the fund right now which is mostly in cash, \$6.8 million in cash is 110,000. So we're trying to change the investment so that it would get somewhere about \$400,000 out of the 8.3 million.

CHAIRPERSON VILORIA-FISHER:

And let me ask Counsel or Budget Review, when we had made decisions regarding the allocation of the funds and we've had Bank of America advise us as to how it was being allocated, I don't recall ever having done it through a resolution before.

MR. REINHEIMER:

No, we've always done it through a resolution.

CHAIRPERSON VILORIA-FISHER:

It's always been through a resolution?

MR. REINHEIMER:

Yes, that's correct.

CHAIRPERSON VILORIA-FISHER:

Okay. I just couldn't remember how we had addressed it. It was always a resolution? After they did their report, we'd have a resolution?

MR. NOLAN:

Yeah, but I believe we do it annually. We pass a resolution where we set forth the investment strategy.

LEG. STERN:

Quick question for Counsel. We do it by resolution. Does it need to be done by resolution?

MR. NOLAN:

I think we probably need to do it through a resolution, particularly since we have all resolutions that directed a different investment strategy. We're changing it, the direction, so I think it would be proper to do it by resolution.

CHAIRPERSON VILORIA-FISHER:

But we have done it without -- I mean we did it without a resolution when we were in trouble, when it was coming to the corpus and --

MR. REINHEIMER:

No. Well, that's -- we did is we responded to the market. We didn't change the investment guidelines. The stated investment guidelines right now is still 50% equities, 50% bonds.

CHAIRPERSON VILORIA-FISHER:

But when we changed it because of the precipitous drop, we moved it out of that model into an all cash model. So that we did without a resolution.

MR. REINHEIMER:

That's correct, but that's -- you should have with any investor a guideline so that they know the

objectives of the portfolio.

CHAIRPERSON VILORIA-FISHER:

I understand that. I was just answering Legislator Stern's question which is does it have to be done by resolution. And at that point we did it without a resolution because we saw it as an emergency.

LEG. STERN:

Okay. And I understand what Lance is saying.

CHAIRPERSON VILORIA-FISHER:

Yes.

LEG. STERN:

And we should, I guess, do it by resolution so that it is --

CHAIRPERSON VILORIA-FISHER:

So it's codified.

LEG. STERN:

-- a stated policy or strategy. But I guess based on our past history, our past unfortunate history based on what the market has done, although this needs to be done by resolution, it seems as though we still have the flexibility to do things very quickly.

MR. NOLAN:

To respond to -- in a dire emergency, there was that flexibility. But the Legislature generally can only speak through resolutions. When we can do that, we should. And that's what we're doing here.

CHAIRPERSON VILORIA-FISHER:

Okay. We were just trying to clarify that. Okay. So we have -- do we have a motion yet? I don't remember.

LEG. HORSLEY:

I don't think so.

MS. ORTIZ:

No.

CHAIRPERSON VILORIA-FISHER:

Okay. I'll make a motion to approve, seconded by --

LEG. STERN:

Madam Chair, I'm going to make a motion to table.

CHAIRPERSON VILORIA-FISHER:

Okay.

LEG. STERN:

And I think I'm going to --

CHAIRPERSON VILORIA-FISHER:

Well, let me get a second and then, you know, look at your -- did you want to second that or not? I don't have a second. For the purposes of discussion?

LEG. HORSLEY:

Sure.

CHAIRPERSON VILORIA-FISHER:

There's a second.

LEG. STERN:

What are you seconding?

CHAIRPERSON VILORIA-FISHER:

The approval.

LEG. HORSLEY:

Just for the purposes of discussion.

LEG. STERN:

Okay. Based on what we just established, it appears as though in a quote emergency or dire situation that we do have the flexibility to make decisions regarding the investment strategy going forward. In my opinion, codifying an investment strategy at this point based on, you know, one presentation that was made by representatives from the Bank of America would be premature. I know personally for myself, I mean going too deeply into it, I'd love to have a second opinion and maybe a third or a fourth given the volatility of the current situation. I'm sure, perhaps, many of our colleagues would like that opportunity as well to hear from others what their strategies might be rather than committing to really the one that we've heard, and quite frankly the one that we've heard from advisors who, you know, were guiding us through, you know, this meltdown.

So for me personally particularly because we do have the flexibility to still act, rather than codifying something, I'd like to have that opportunity. I do know that that would have to come right away to be able to do that. And I think that we should be getting a second opinion not just from experienced financial advisors but perhaps those that are very familiar with endowments of this type for what we're trying to accomplish specifically here for the Vanderbilt.

So based on the financial question that is still before us, you know, I think that, again, codifying this particular plan would be premature. I also believe that there -- beyond a financial issue is still a legal issue. I know we've heard from Counsel. I know that we've heard from County Attorney's Office in some way as well, but I think this is a highly specialized question before us.

CHAIRPERSON VILORIA-FISHER:

I'm going to bring up the correspondence from the County Attorney because I do want to discuss that issue.

LEG. STERN:

So I think that there's still for me, anyway, an outstanding legal question that needs to be answered as well as a financial one. It doesn't seem to me based on the conversation we just had that this is something that we need to codify right now because as a practical matter we do have the flexibility to do what needs to be done until we've resolved those issues.

CHAIRPERSON VILORIA-FISHER:

Okay. Right now though we are -- what is the model that we have right now, Lance, for the allocation?

MR. REINHEIMER:

Yeah. The allocation is \$6.8 million is in cash. The balance is in bonds. Most of it's in a bond fund. We do have one bond which is, I think, is \$150,000 for a market value of \$8.3 million.

CHAIRPERSON VILORIA-FISHER:

And in order to move it to a more profitable model, you would need a resolution or not?

MR. REINHEIMER:

Well, I think you made some valid points.

CHAIRPERSON VILORIA-FISHER:

I mean Counsel is saying that it's better to have one.

MR. REINHEIMER:

The current model is 50% equities, 50% bonds. That's our stated objective. They have the flexibility of working within that. They could go into bonds if they feel the market is right for that. No matter what investment objective we have with an investment advisor, they're going to make their changes or their investments over time. So they wouldn't shift, you know, the \$6.8 million into bonds overnight. They would do it as the market dictates. It's your policy.

I think we need to look at -- we can instruct them on what to do in conjunction with withdrawals. What we're concerned about is that any change in investments if it goes below 8.2 million, if we made distributions, you know, is that prudent. I think if we suspend distributions, they could -- they have the flexibility of going into bonds. They could do that. So it's probably a letter of instruction. I mean Counsel would have to advise us if it's legal, but, you know, we have the objective which is 50% bonds, 50% securities. And we certainly aren't in that model right now because of the market. So because of the market that means they could go into bonds now. They don't have to go into securities. So I think you make some valid points.

But I think what the investment advisor is waiting for right now is instruction from us on what we want to do. And if that can be done as a letter just, you know, what our intent is, that's really what they're waiting for, what is our intent, what do we plan on doing. If we're on making more distributions to bring it down closer to the 8.2 million, they're going to change their investments and probably sell bonds so that it doesn't fluctuate.

If we decide that we're not going to make any distributions until the market value of the fund is such that fluctuations won't bring it below 8.2, they'll make their investments accordingly.

CHAIRPERSON VILORIA-FISHER:

Okay. Let's hear from Counsel. Counsel?

MR. NOLAN:

I would just say that, right, we have a resolution from last year that set forth the strategy. At the end of last year the market imploded. The principal amount was going down towards the original corpus amount. There was an emergency situation. The Presiding Officer consulted with the Chairman of this Committee, I believe, with the minority leader and said, you know, we're going to have to move money out of stocks, we got to protect the principal.

And as Lance said the investment advisor's looking for new instruction. I think ultimately it has to be by a resolution from the full Legislature as to what that strategy and direction is going to be. You know, if we don't do it now, I think at some point the Legislature as a whole is going to have to give direction. I don't think the Presiding Officer feels comfortable doing that unilaterally.

CHAIRPERSON VILORIA-FISHER:

And rightfully so. It's a big decision.

MR. NOLAN:

So this is what the -- the investment advisor came in and spoke to members of the Legislature and to Budget Review. This is a very conservative strategy but it's ultimately up to the body.

CHAIRPERSON VILORIA-FISHER:

Okay. And I have a question. I just wanted to ask Legislator Stern a question, or Counsel. Regarding second opinions, what would be the process for us to locate individuals or experts to give

us those second opinions? Should we do it at the next Committee meeting or would the Committee be interested in perhaps not adjourning this Committee until next month but adjourning it until an hour-and-a-half before our next General Meeting so that we can hear experts and perhaps be able to deliberate on this or -- I mean do we have people already in mind who could come and speak with us or do we need another month to set up experts coming to speak? And what are the parameters of having those experts come? Do they have to be vetted? I don't know what the parameters would be.

MR. NOLAN:

And actually myself, I'd actually look to Budget Review to tell us how they believe we could go about getting other viewpoints on the proper course with the endowment.

CHAIRPERSON VILORIA-FISHER:

Try to get the process, right. Lance?

MR. REINHEIMER:

Yeah. In the past since I've been here, we've selected advisors through an RFP or RFQ. And that's what we've done. That's how Bank of America was ultimately selected. As Fleet Bank they morphed into Bank of America. Prior to that was, you know, Bessemer Trust did it. Their contract has expired. We've talked about in our reviews that it's prudent for the Legislature to go through an RFP type process. So I mean that's something we could start to do --

CHAIRPERSON VILORIA-FISHER:

Yes. Well, I had told you I wanted to get started on that.

LEG. STERN:

That would -- that would be the process for selecting an advisor who would ultimately, I guess, become our representative; get our business. Would we need to go through that same type of a process merely to have professionals who are familiar with the situation come in and provide information to us or advise us informally in some way?

MR. REINHEIMER:

I think that's a legal question. I don't know, you know, how that works through the legal system.

CHAIRPERSON VILORIA-FISHER:

He got that one over the net. You ready to hit it back or no?

MR. NOLAN:

Well, that's a problem. I don't know the mechanism for how we would do that; as to how we get another entity in here to give us an opinion as to what we should do. I don't know that anybody's going to do for free. And if that being the case, then, you're looking at a competitive -- some type of competitive process. Really, we'd have to select another advisor almost to give you that second opinion. It's just the mechanism, I'm having a hard time getting my mind around how we could do that. I understand what you're looking for, but I'm not sure how to accomplish it.

CHAIRPERSON VILORIA-FISHER:

What if we say this, Legislator Stern, so that we're not in the kind of position we're in right now where we're making so little money. If we were to pass this resolution with an eye on an RFP, having experts come in through the RFP or RFQ process and listening to them and evaluating where we want to go and asking them the questions, I think through the RFP process you'll also get some input on how they see our program and how they would -- you know, I don't know enough about the RFP process for this. And Dennis is coming to weigh in on it.

MR. REINHEIMER:

In the past, you know, we've given them the value of the fund, what we're planning on doing in terms of what we're looking for in terms of use of funds and potential growth. And they come

forward with their suggestions on the mix and types of investments you would do, which was, I think, what Legislator Stern is looking for; is 80/20 prudent, is, you know, 70/30 prudent? I don't know. Different advisors are going to look at it at this time in these markets and come up with different ideas. That can be put into the RFP as to, you know, how you would structure the fund and what you would recommend in terms of investment mix.

MR. BROWN:

I would agree with Lance and George with respect to using an RFP or RFQ process. But you also since you're looking for some type of initial pre-RFP, RFQ consultation you may want to consider dividing it into two phases. You might ask that -- and Request for Expressions of Interest be accomplished for financial advisors that might be interested in being the financial advisors with respect to the Vanderbilt Trust. And in response to the RFEI, the Request for Expressions of Interest, you can interview them, get some ideas and then narrow the field down that way and then do a more formal RFP or RFQ.

CHAIRPERSON VILORIA-FISHER:

Okay. So we'd start with an RFEI. And who would prepare the RFEI?

MR. BROWN:

I think that it would be the Legislature. And correct me, George, if I'm wrong because I know that you and Christine have been working on it, but I think that it would be the Legislature or maybe the Committee because I believe that it is the Legislature that's generally responsible for managing the property.

CHAIRPERSON VILORIA-FISHER:

Okay.

MR. NOLAN:

No, I think that came out of Budget Review.

CHAIRPERSON VILORIA-FISHER:

It would be Budget Review?

MR. BROWN:

Okay.

MR. NOLAN:

But I'd have to ask Lance. The last time we did an RFP, Lance, it came out of Budget review Office or did somebody help you prepare it?

MR. REINHEIMER:

No, I think that went through Purchasing. Purchasing did it last time. We sat on the -- we were part of the review, but I think Purchasing did the --

MR. BROWN:

Purchasing issues it, yes, that's true, Purchasing issues it. But as far as the preparations are concerned --

CHAIRPERSON VILORIA-FISHER:

Okay, Dennis.

MR. BROWN:

You might enlist assistance from Purchasing, but I think as far as the services as to what you might actually need, I think that somebody with the financial expertise is best to do the services.

CHAIRPERSON VILORIA-FISHER:

Okay. Now we're talking about a process. And this is why I go back to trying to pass this now so that we move off of that very restrictive model that we have right now. You know, we don't want to go from the cash model that we have back to the 50/50 because the 50/50 is too aggressive. This moves us to a little bit more aggressive model. Use this until we go through the RFEI and then RFP because that's going to take time. I just don't want us to be stuck where we are right now.

LEG. STERN:

Understood. And I certainly appreciate the time element here. And, you know, none of the suggestions or concerns that I'm raising is meant to delay in any way. I mean, I get it. And this is something that we need to do yesterday.

CHAIRPERSON VILORIA-FISHER:

Yeah.

LEG. STERN:

At the same time this resolution requires a vote which I believe requires of us who are casting this vote to essentially agree with this investment strategy that's being laid out here. And for me personally I think that's premature. Because I can't say without hearing more on the financial planning issues as well as the legal issues, maybe we'll discuss the legal issues in a moment, but I can't look at this resolution and say that this is an investment strategy for the Vanderbilt as it relates to the future of the Vanderbilt that I'm comfortable with at this point.

CHAIRPERSON VILORIA-FISHER:

Okay, now we had Bank of America here last month. And were there questions that you could have asked of them at that point --

LEG. STERN:

Yes, because, I think, Madam Chair, the -- what this vote also requires is having some confidence in the plan as put forth from Bank of America specifically, which I'm also not prepared to do.

CHAIRPERSON VILORIA-FISHER:

Okay. But in the meantime that's who we have until we go through the RFP process.

LEG. STERN:

Which is why we need to go through it very quickly.

CHAIRPERSON VILORIA-FISHER:

Okay. What I'm going to do, though, is go ahead with my motion to approve and the second because this will take time. And I'm not comfortable where we are right now with our investment strategy which is not producing enough income. So I would feel more comfortable with this one.

LEG. HORSLEY:

I just have a quick question.

CHAIRPERSON VILORIA-FISHER:

Sure.

LEG. HORSLEY:

On the need and timeliness of this. Lance, what happens if we table it now and we move to the Request for Expression of Interest, how much time do we have before this starts to become problematic?

MR. REINHEIMER:

That's a difficult question. I mean, what I said before, they still have the current stated guidelines, you know. Prudent investing says they shouldn't go into equities. It doesn't prevent them from going a little bit into bonds. I think the bigger question is, you know, what is our plan to do with the

endowment at this point in time? Are we planning on making other distributions? You know, we're working towards getting a Memorandum of Understanding signed between the County Executive and the Legislature to make a General Fund transfer to support the museum. The museum has informed us that next Wednesday they have a payroll. And based on their current cash, they do not have enough cash to meet that payroll. So the point is, I think, we could, you know --

LEG. HORSLEY:

Does this help that?

MR. REINHEIMER:

No, this won't help that.

CHAIRPERSON VILORIA-FISHER:

But if I may interrupt just a minute to clarify something, Wayne, if I may, because they have the flexibility but they won't make a change without our direction.

MR. REINHEIMER:

Well, right. They have the flexibility. They're looking for guidance from us. We can, you know, we've had --

CHAIRPERSON VILORIA-FISHER:

And the only way Counsel is telling us -- if I may, the only way Counsel is telling us that we can give them guidance other than what they're currently doing is through a resolution, or that we feel comfortable doing, is through a resolution.

MR. NOLAN:

I would just interject that, you know, we have an outstanding resolution. In an emergency at the end of last year the Presiding Officer in consultation with several Legislators and Budget Review Office gave them a different direction. And, I think, you know, we have an outstanding resolution from last year which theoretically could give the investor the authority to change what we're doing now. They're looking for direction from us. I'm just not sure the Presiding Officer's willing to do that unilaterally and would feel more comfortable if the Legislature as a whole gave direction on --

LEG. HORSLEY:

Does that -- does this do that, George?

CHAIRPERSON VILORIA-FISHER:

Yes.

MR. NOLAN:

This resolution does that. It reflects -- it goes away from the 50/50, our previous strategy and more an 80/20, 80 percent in bonds, 20 percent -- up to 20 percent in stocks; that that's not necessarily what they're doing to do. It certainly more aggressive than where we are now which is basically just holding money as cash.

LEG. HORSLEY:

Gives them that latitude.

MR. NOLAN:

Right, to try to generate more revenue. And the thinking is, you know, we got to build up the maintenance fund. Anything we do has got to be geared towards that. I think many people don't want to do any more distributions to the museum this year from the maintenance funds so we give it the opportunity to make some money.

LEG. HORSLEY:

I understand that.

MR. NOLAN:

That's why we approved the \$800,000.

LEG. HORSLEY:

I'm not sure that's what this does but --

MR. NOLAN:

Well, that is the hope. That is the hope, is that it will --

LEG. HORSLEY:

Going to build up some --

MR. NOLAN:

They'll make more money. It's not making any money now and that's the problem.

CHAIRPERSON VILORIA-FISHER:

And to your question about time, the reason I'm asking for it to be approved is because, sure, we could stay in the holding pattern that we're in but it would be maybe three more months of our not making very much money. And this would allow us to make a little bit more money during those months that we do the RFEI and the RFP.

LEG. HORSLEY:

Okay. Then let me ask you the question, if we do give this -- this allowance to move more into equities and they do that, is there a possibility they could lose more rather than gain more?

CHAIRPERSON VILORIA-FISHER:

There's never a guaranty. Lance, you want to say something?

MR. REINHEIMER:

If I can say something, the plan from my discussion with Bank of America, this objective policy was developed based on the presentation that Bank of America made with communication. We communicated with them on what the Legislature's plans were which was to make sure that the fund is invested conservatively. The concerns of the museum that saying \$110,000 on an \$8 million fund does not seem prudent either. That's a 1.3 percent increase; that with communication with Bank of America and counsel from them in terms of getting the proper financial language in the resolution was to put in there that they could go up to 20 percent in equities, given the possibility that I hope in time the market starts -- the volatility starts to slow down. And that it would be prudent to start to go into stocks, that they wouldn't have to come back here to get another resolution to go into stocks.

You know, my feeling and this is, you know, I helped with this with Bank of America's input was that we don't want to lock ourselves into just bonds; that in time an endowment in order to grow the principal needs to go into equities. It's very difficult to have capital appreciation in bonds, straight bonds. Bonds provide income. Generally they don't provide a lot of capital appreciation. So to respond to a market that it would be prudent to go into stocks 20 percent is an ultraconservative for endowments to be into equities. The plan right now from talking to Bank of America under the current conditions they aren't planning to go into stocks at this point. They aren't planning on moving \$6.8 million in cash into bonds today either. This is a gradual shift to try to maximum income better than what they have now and to try to preserve the --

LEG. HORSLEY:

So we're just allowing them to look at the market conditions and to adjust accordingly?

CHAIRPERSON VILORIA-FISHER:

Right. Right.

MR. REINHEIMER:

Any investment advisor that's the goal, is to invest under current market conditions.

LEG. HORSLEY:

I understand the parameters.

CHAIRPERSON VILORIA-FISHER:

Legislator Nowick.

LEG. NOWICK:

You know, I think I know what Legislator Stern is trying to say. We are certainly not experts. If we were, none of our portfolios would be going down as they are. And we've given our money, I'm sure, to experts so 1.3 -- making 1.3 percent is not great, but it certainly is better than losing money. Having said that I think what Legislator Stern wanted to do was just get another opinion. Am I correct? Because I have to tell you I am nervous about making such a large decision. I'm not a financial expert. We're Legislators and attorneys and we do lots of other things, school teachers, but this is a big decision. And maybe just one other -- one other opinion could help us out. Legislator Horsley, we can lose money, too. There is no guaranties in this economic market. There are no guaranties. I have to tell you something, if I was to just be steady right now I would be a happy person.

LEG. HORSLEY:

Well, you would be if we didn't vote for this.

CHAIRPERSON VILORIA-FISHER:

He said if we didn't vote for this, we'd just be steady.

LEG. NOWICK:

Yes, yes, I know. It's not that I'm happy. I'm just afraid we can lose money this way. And staying here, maybe if we -- we can get another opinion I think I could vote more intelligently. I'm a little nervous about this.

CHAIRPERSON VILORIA-FISHER:

The question, though, that I posed to Counsel was what do we have to do to get another opinion? And that takes time. Dennis?

MR. BROWN:

I think that an RFEI can be done relatively quickly.

CHAIRPERSON VILORIA-FISHER:

How quickly, Dennis?

MR. BROWN:

I think within -- certainly within 14 days to 21 days. And the --

CHAIRPERSON VILORIA-FISHER:

That fast?

MR. BROWN:

Yes. And the reason why I think it can be done that quickly is because I think there are two ways you can tackle it. You can identify financial investment firms that you want -- want it to go out to. And so whether it's, you know, 5, 10, 15, 20, you know, we live in the New York area. It wouldn't be that difficult to identify the banks and the investment banks.

CHAIRPERSON VILORIA-FISHER:

So you don't have to publish it?

MR. BROWN:

No. But then -- we do have to publish it and we have to give them -- and you have to give them a time to respond. But let's say it was published a week from this coming Friday. So let's say we were able to get it published by the end of next week or the week after, let's say the week after just to be safe and --

CHAIRPERSON VILORIA-FISHER:

Okay, so that would be August 4th. Okay, yeah.

MR. BROWN:

-- not to have, you know, Kathleen Koppenhoefer kill me, right. So --

CHAIRPERSON VILORIA-FISHER:

I mean April 4th.

MR. BROWN:

Yeah. So let's say two weeks from Friday we're able to get it out and put a dead line on perhaps of two weeks for those that are interested to respond. And then you narrow it down as to who you might be interested in responding. So let's say you sent it out to 15 or you published at large. But let's say you sent it out to 15 and you got 12 responses. And of the 12 hypothetically you pick 6. So you pick one day and you ask those 6 to come in and just interview them and say what's your -- you know, what's your feeling with respect to how we can best suitably invest this \$8.2 million, \$8.3 million in order to maximize the return and ensure principal safety? And then from that response then you do your RFP and maybe you RFP it out, then publish it again. But then also tailor your mailing to those people that you're interested in from your interviews.

CHAIRPERSON VILORIA-FISHER:

But, Dennis, do you realize that right now as you describe that you got up to about six weeks?

MR. BROWN:

I realize that. As I said --

CHAIRPERSON VILORIA-FISHER:

I mean from 14 days it went to 6 weeks in a hurry.

MR. BROWN:

But as I said to Lance and, you know, I know that I'm not, you know, an elected official but I don't think that the time element is as crucial because whether it's done six weeks from now or two weeks from now or even eight weeks from now, the ability to turn around and recover the money that was lost in a very short period of time, realistically I don't think that it's a reasonable expectation, unless you take \$8 million, like I said to Lance, and invest it in Ford, and Ford goes to 4 in the next 6 weeks, you're not going to double it back to \$8 million.

LEG. STERN:

You'd have a better shot at taking it down to Atlantic City and putting it all on red.

MR. BROWN:

Exactly.

CHAIRPERSON VILORIA-FISHER:

Okay, but, Dennis --

LEG. STERN:

Red or black.

CHAIRPERSON VILORIA-FISHER:

-- what do you think, because I would like us if we're not going to do it with this piece of legislation, I would like to have something by the end of April that we could act on. And you're saying that between now and our April meeting that we would be able to have heard enough opinions, and I'd love to see Legislator Stern who, you know, has been looking at this very critically, you know, join the RFP committee or RFEI committee and listen to the different people who come and speak to us.

MR. BROWN:

I think that by the end of April it's reasonable to predict that you could do the RFEI and conduct the interviews; maybe not get the RFP done, that may be --

CHAIRPERSON VILORIA-FISHER:

But from those interviews we could get enough of an idea for us to be able to have a judgement.

MR. BROWN:

I think that's reasonable, yes.

CHAIRPERSON VILORIA-FISHER:

Okay.

LEG. STERN:

We'll be able to make an informed decision.

MR. BROWN:

Yes, I think that's reasonable.

CHAIRPERSON VILORIA-FISHER:

Okay. Well, if you're saying that that can be -- because I was thinking three months. And I would hate to lose a quarter, you know --

MR. BROWN:

No, I do think that the RFEI could get out because it does not --

CHAIRPERSON VILORIA-FISHER:

Who's preparing it, Dennis?

MR. BROWN:

It does not have to be as complicated as a full blown RFP. And I think that it should be coordinated between -- we certainly could take a look at it, I think, Budget Review and I think either the Committee or the Legislature.

CHAIRPERSON VILORIA-FISHER:

And would Budget Review, Lance, be able to use the template from past RFP's, let's say, like just bringing it down and making it a --

MR. REINHEIMER:

Yeah, I think there's some valid questions in there on, you know, first of all the value of the fund, what it's for, what our plan is. It's to grow it and to provide income. All that's in the previous RFP; we can pull some of those questions out to use, certainly.

CHAIRPERSON VILORIA-FISHER:

Okay. And there would also be a criteria sheet that's probably been developed already for the RFP's that were done on this before, right? For RFP committee when they're making --

MR. BROWN:

Well, your RFEI would only be a screening so your criteria and your valuation, that would be subsequent to the responses to an RFP. So I think that within the next 6 weeks you can do the RFEI, conduct your interviews and garner the information that you want. Then you might be -- have more information to make the decision about whether to pass this resolution. And then if you decide that you want to do an RFP subsequent to May 1st, then you'd make that decision.

CHAIRPERSON VILORIA-FISHER:

Dennis, because we are not financial experts, wouldn't there be some kind of evaluation sheet prepared as to the kind of questions that are asked at the interview?

MR. BROWN:

Yeah, definitely you should prepare that. And also I think that a person to talk to, you know, Capital Markets, they are the financial advisors to the County. And they do -- they do the bond offerings for the County. But I'm sure that they also have -- just because they're financial advisors have information that would otherwise be helpful in helping to formulate and evaluate.

CHAIRPERSON VILORIA-FISHER:

So somebody like Mr. Tortora?

MR. BROWN:

Yes.

CHAIRPERSON VILORIA-FISHER:

I think --

MR. BROWN:

-- not that I'm -- you know, beating his business, beating his britches for business or anything like that, but, you know, he has information that we -- that -- you know, he works in the markets everyday.

MR. REINHEIMER:

Right. And just to --

CHAIRPERSON VILORIA-FISHER:

Okay. I think Counsel has something to say.

MR. REINHEIMER:

Just to add to that.

CHAIRPERSON VILORIA-FISHER:

Sure.

MR. REINHEIMER:

Capital Markets was involved with the RFP last time.

CHAIRPERSON VILORIA-FISHER:

Okay.

MR. BROWN:

They would be helpful with the evaluation process, definitely, and the interview process.

CHAIRPERSON VILORIA-FISHER:

Okay. Counsel wanted to --

MR. NOLAN:

I just wanted to say that, you know, the Vanderbilt gave us the money with the idea that we would invest it to realize income to support the museum's operations. We have to do that. I would love for this process to take two months. I hope it takes two months. I think it could take longer. The Legislature -- all the Legislators are on record that next year they don't want to do a General Fund transfer to the museum. So I think it's just vital that we start attempting to generate more income to that fund ASAP otherwise our problems going into next year are going to be multiplied.

CHAIRPERSON VILORIA-FISHER:

So what you're saying is that it would probably be a better path to pass this today? And then after we do the RFEI prepare a new resolution with different parameters based on what we've learned?

MR. NOLAN:

That's obviously a policy determination.

CHAIRPERSON VILORIA-FISHER:

A policy determination, yeah.

MR. NOLAN:

But I think it's not a bad idea to go out and do a competitive process to get a new investment advisor. But I think it is problematic to leave our investment strategy where it is now, where we're not generating any income to the museum. It's just going to make our problems going into next year's budget, I think, more difficult, our choices with the Vanderbilt more difficult if we don't realize some income.

CHAIRPERSON VILORIA-FISHER:

But what we're talking is if we can get this done in a month, and I'm going to be holding Dennis' feet to the fire, because if we have a template we could probably get --

MR. BROWN:

As long as Lance helps.

CHAIRPERSON VILORIA-FISHER:

We could probably prepare this before ten days.

MR. BROWN:

I really -- I wouldn't be sitting up here and saying that I think that you could complete the RFEI process by -- in the next six weeks if I really didn't think it was reasonable. I think it can be reasonably done. Like I said, you do the -- at the risk of repeating myself, we can publish it and we could do a mailing or -- we could just do a mailing to 15 banks and, you know, and of those who respond tailor it down, you know, you like what they say and bring them in for an interview all on one day; and you give them each an hour. You bring six in, give each one an hour.

CHAIRPERSON VILORIA-FISHER:

Okay. And the amount of money that we aren't earning would be the difference, you know, the delta would be what we're earning now with this and what we would be earning if we changed the formula. And that would be for one month. And we don't know what the amount of -- that amount of money would be.

MR. BROWN:

No, because tomorrow, you know, the stock market may have been up for the past -- well, there are two issues and, Lance, I don't want to step on your toes but one is dividends and the other is capital gains. So it's not likely that even if you invested the money today, 20 percent in stocks, that you're going to realize any dividends or capital gains within the next four to eight weeks. There might be changes in the value from day to day to day, but you're not going to realize it -- you're not going to realize a gain --

CHAIRPERSON VILORIA-FISHER:

Lance, can you weigh in on this?

MR. REINHEIMER:

Yeah, it's difficult to say what you would lose if you went one way or the other.

LEG. STERN:

You can't; there's no way.

MR. BROWN:

No way, right.

MR. REINHEIMER:

Yeah, that's a question that none of us can answer.

LEG. STERN:

Because, if I may, it's obvious, the value of the account could have gone up exponentially during that time and we could all be high five-ing ourselves. And then the very next day, you know, it plummets again, you know, before we've realized --

CHAIRPERSON VILORIA-FISHER:

With the vagaries of the market -- but what we're trying to do -- I mean the bonds aren't that risky.

MR. REINHEIMER:

Well, there's risk with everything at this point. But right now, you know, as Dennis said, there's two components: Capital appreciation and income. Right now, you know, we're looking to maximum some income. There is no income. The \$110,000 that the fund is generating is not capital appreciation. That's straight income. That's interest and -- from the money market and from the bonds. So that's just income.

As I said before, you know, with some direction they can start to go into bonds today under the current investment guide lines. They're really just looking for direction, what are we doing in terms of distributions. So I don't think, you know, listening to the discussion and we've been advocating that we should go out for an RFP for the past year so I think that's consistent with our recommendations. That's just prudent management, that, you know, if we say to Bank of America now, we're not making distributions, you know, you could buy bonds if the market, you know, is such that you feel that's right. They're not going to do anything fast. But they could do that. So the impact would be maybe nothing. They can still manage the fund under the current investment guideline. They can still go bonds. They're waiting for us, as I said, repeating it three times, what are our plans, what are we looking to do? Are we going to make a distribution or not? And, you know, that's kind of an open ended question right now. I don't know if we've come to that conclusion. And that will dictate whether they go into bonds or not. You know, and we can, you know --

CHAIRPERSON VILORIA-FISHER:

Obviously we're not making a distribution. We're too close to the corpus.

MR. REINHEIMER:

No, but the value is 8.3 million. They don't know that officially. We haven't officially told them that we're suspending distributions from the fund.

CHAIRPERSON VILORIA-FISHER:

And we need a resolution to tell them that?

MR. REINHEIMER:

No, no. That's just communication.

MR. NOLAN:

There's also \$800,000 in our budget that is supposed to be transferred to the Vanderbilt Museum.

CHAIRPERSON VILORIA-FISHER:

Right.

MR. NOLAN:

And if that happens or any significant part of it is distributed -- I don't think there's any reason to make a distribution to the museum this year.

CHAIRPERSON VILORIA-FISHER:

Right.

MR. REINHEIMER:

Correct.

MR. NOLAN:

That's why you put the money in the budget.

CHAIRPERSON VILORIA-FISHER:

Exactly.

MR. REINHEIMER:

Correct. And the museum's one week away from having a negative cash balance in their account. So, you know, we're getting down to the last minute.

CHAIRPERSON VILORIA-FISHER:

Well, we're going to be talking about two other things right now regarding the museum. So it seems to me that the Committee is reticent to approve this, right? You know what? There's a motion on the table. I'll just call the vote and then we'll go to the tabling. Okay? There's a motion and a second. If it fail, it fails. Okay? There's a motion to approve and a second. All in favor?

LEG. NOWICK:

Motion to table. You don't want that to fail, do you?

CHAIRPERSON VILORIA-FISHER:

You know what, we would have to re-write one anyway so -- fine, a motion to -- there's a motion to table. There was a -- pardon?

LEG. STERN:

I'll second the motion to table.

CHAIRPERSON VILORIA-FISHER:

Okay. So there's a motion to table. All in favor? Opposed? Actually I'm opposed to tabling. I want to make this go forward so we have something. Motion to table passes. **(Vote: 3-1-0-01. Leg. Viloría-Fisher opposed. Leg. Alden not present)**

But I do still have questions about this. I want to continue the conversation.

LEG. STERN:

We all do. And I think that's the issue before us.

CHAIRPERSON VILORIA-FISHER:

Yeah. And my question goes to legal expertise. Okay? I received correspondence from the County Attorney's office discussing the vis-a-vis the need to have -- to hire outside Counsel. And the

County Attorney advised that we don't need outside counsel because we have the expertise within our county -- our Department of Law; our County's Department of Law. And I spoke about this with our Counsel who has a different opinion. And I would like, George, to give you the floor to talk about this.

MR. NOLAN:

Well, just to refresh the Legislators' recollection I believe it was at our last meeting that we approved the procedural motion authorizing this Committee to conduct a search for a firm that specializes in trusts and estates to advise this Legislature as to how to proceed on other issues that we're probably going to face with the Vanderbilt Museum in the months and perhaps the year ahead.

In my three plus years as Counsel at the Legislature I have never recommended hiring outside counsel or bringing a lawsuit against anybody. This is the first time I recommend this to members of the Legislature. I recommend it to the Presiding Officer because I think potentially we're going to be facing some thorny issues with the Vanderbilt Museum. As everybody knows we've approved money in this year's budget to support the museum's operations. There's a lot of reluctance, I believe, among members of the Legislature to repeat that next year, which then you're talking about how are we going to support the museum next year. There's a resolution pending now to explore the option of having the community college take over the operations of the museum. There's been some discussion that it may be necessary to go into principal to support the museum's operations.

All of those things would require court approval at some point. It's a very specialized field, this area of the law. I believe we need expert outside counsel to advise us as to the best way to go. I think we've seen some of those issues arise today. Legislator Stern, who works in this area of the law, I think could speak probably to this issue better than anyone as to the necessity of outside counsel.

So I think we should definitely proceed with the search for an outside counsel. I've sent out letters to four law firms; just sent out to two additional law firms, try to bring them in for interviews to speak to this Committee so we can select an outside counsel to advise us as we go forward. That's my position. I understand the County Attorney did send a letter to all the Legislators saying we should not do this, but I just respectfully disagree with that opinion.

LEG. NOWICK:

You're our guy, George.

LEG. HORSLEY:

Just thinking the same thing.

CHAIRPERSON VILORIA-FISHER:

What were you thinking?

LEG. NOWICK:

He's our guy.

LEG. HORSLEY:

He's our guy.

CHAIRPERSON VILORIA-FISHER:

He's our guy. Okay. Are there any questions about that? Okay. Because I tend to agree with George that it just seems so specialized, we have so many complex questions about this that I feel we need to go outside.

Regarding the money that we have put in the budget, well, the legislation we put in the budget regarding our support of the Vanderbilt Museum for this year, there has been communication from the County Executive's Office that before we release any money that there be some kind of Memorandum of Understanding between the Vanderbilt Museum and the County Executive's Office

and the Legislature. George has been working on that. I don't know that it's ready to be put on the record, you know, the details of that, but I wanted the members of the Committee to know that that is a stipulation that has been put out there. And Lance Reinheimer just said that there's not going to be any cash flow next month or next week if we don't start moving --

MR. REINHEIMER:

Next week. Their current cash is about \$32,000. And their payroll, I think, is \$34,000, 35,000 which is next Wednesday. They need the cash for the payroll.

CHAIRPERSON VILORIA-FISHER:

Okay. And this is why I'm putting this on the record today. We really need to have an agreement on the MOU. We have made a commitment to the Vanderbilt. And we hope that the County Executive's Office and George and the Vanderbilt can all come together on an agreement on this so that we can start remitting some money to them so that they can meet their payroll. I think George wants to speak to this.

MR. NOLAN:

Yeah, I just wanted to say that -- I believe it was the Executive's side who had taken the position that we need an MOU before there's a release of money. I don't believe there really is a legal necessity for Memorandum of Understanding. But it may not be a bad idea. So I spoke with Lance from Budget Review and the Presiding Officer's Office and I drafted a Memorandum of Understanding which I sent to the County Executive's Office, I believe, at least ten days ago, maybe as long as two weeks ago. And I have not heard anything back from them. And that's where it is. And we're coming down to the wire now where the Vanderbilt is going to need the money from the General Fund to support their operations. I don't think there's anything else to say.

CHAIRPERSON VILORIA-FISHER:

Okay.

P.O. LINDSAY:

Vivian, I want to say something.

CHAIRPERSON VILORIA-FISHER:

Okay. I'll just call Dennis up and then I'll go right to you, Bill. Do you know who's handling this in the County Attorney's Office?

MR. BROWN:

No, I do not know that George had even completed one and sent it upstairs.

MR. NOLAN:

It went to the Executive's people. I don't know that they shared it with your office. I don't know.

MR. BROWN:

I mean I'll ask the County Attorney when I get back.

CHAIRPERSON VILORIA-FISHER:

Okay. I'd appreciate that because you can certainly see the urgency.

MR. BROWN:

Sure.

CHAIRPERSON VILORIA-FISHER:

Okay, thank you, Dennis. The Presiding Officer has a comment.

P.O. LINDSAY:

Well, I mean it would be a wonderful thing if we had a document that everybody could agree on. But I just want to make something clear. It's an absolute abuse of power by the Executive's Office if this money isn't released with or without that approval of that MOU. He has no legal right to hold up that money. He has tried to block this Legislature from keeping this museum up repeatedly. He has failed every time. His objections have been overridden in vetoes. And for him to hold up that money, I think, is purely illegal. So I hope that the MOU can be worked out and the funding can flow. But if he thinks he's going to starve this museum by an illegal action, he's crazy.

CHAIRPERSON VILORIA-FISHER:

Message given and received. Okay, well our side has done what was required. George prepared the MOU. Carol, you've seen the MOU.

MS. GHIORSI HART:

We have not received any copy of the MOU.

CHAIRPERSON VILORIA-FISHER:

Oh, you haven't received a copy?

MS. GHIORSI HART:

No.

CHAIRPERSON VILORIA-FISHER:

Okay. So the only correspondence is when I spoke with you about it. Okay.

MR. NOLAN:

Yeah, we were trying to get the Executive's response before sending it to the Vanderbilt. But we may have to just give it to you to start taking a look at to move this process.

CHAIRPERSON VILORIA-FISHER:

Okay, so we'll leave it at that, that George is sending a copy to Carol Hart, I guess, for the trustees to look at because they would have to sign off. Okay. I'm sorry?

MS. GHIORSI HART:

Our meeting's tonight.

CHAIRPERSON VILORIA-FISHER:

Your meeting's tonight. So you can get it to her today.

MR. NOLAN:

I'll give to her before she leaves.

CHAIRPERSON VILORIA-FISHER:

Okay. So we'll give it to you before you leave the building. Okay? And, Dennis, if we could light a fire, we have to have the money sent. They're not going to be able to meet payroll. We have to get the money released. Okay. Thank you.

If there's no further business, the meeting's adjourned.

**THE MEETING CONCLUDED AT 2:12 PM
{ } DENOTES SPELLED PHONETICALLY**