

## SUFFOLK COUNTY VANDERBILT MUSEUM

### BOARD OF TRUSTEES

#### Minutes

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held on March 21, 2007 in the Planetarium Lobby, Centerport, New York.

**The following were in attendance:**

Dr. Steven Gittelman - President  
Daniel Olivieri - 1<sup>st</sup> Vice President  
Gretchen Oldrin-Mones - 2<sup>nd</sup> Vice President  
David D'Orazio - Secretary  
Susan LeBow - Trustee  
Marjorie Kosoy-Fuhrmann - Trustee  
William Macchione Trustee  
Dr. William Rogers - Trustee  
Matthew W. Swinson - Trustee  
J. Lance Mallamo - Executive Director  
Carol Hart - Director of Special Projects  
Mitchell Spivak - Staff  
Ann Marie Pastore - Stenographer

**Absent:**

Michael B. DeLuise  
Maria Figalora  
Howard Kleinberg  
Ronald Parr  
Dr. Anthony Pecorale

**(Dr. Steven Gittelman called the meeting to order at 7:50 P.M.)**

**DR. GITTELMAN:**

Good evening, everyone. This is a regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees. There are some guests tonight. Does anybody want to comment or ask questions? Can I have approval of the minutes, David?

**MR. D'ORAZIO:**

After reviewing the minutes of January 17, 2007, I didn't see any discrepancies. I move to approve the minutes.

**MR. MALLAMO:**

Can I make one notation on the minutes? When I was reviewing them – could I just see them, David? I think it was on page 20. I don't know if this is what I said. I know I was very tired that night, so I'm not sure if it's what I said. If I did, I would like to correct that. I know there was a question here when I was talking about our visit to the Legislature, I made a statement that they actually asked Steve questions that he was very well prepared to answer. I thought I said tough questions. Maybe I didn't but when I read it, I was like, it doesn't make any sense. I'd like to just state on the record and apologize to Steve for any misconception. I think we all agree that Steve is always very well prepared to answer any question that is put to him. That particular day that we were there, the questions were particularly complex. I just wanted to clarify that on the record.

**DR. GITTELMAN:**

Is there a motion to approve?

**MR. MACCHIONE:**

Motion.

**MS. FUHRMANN:**

Second.

**DR. GITTELMAN:**

All in favor? Opposed? Abstentions? **Motion carries. (Vote: 9/0/0/5 Absent: Mr. DeLuise, Ms. Figalora, Mr. Kleinberg, Mr. Parr & Dr. Pecorale.)** Public Relations Report. Todd Shapiro is not here.

**MR. MALLAMO:**

Well, we've been busy working on the PR for the Spring Fun Fest and for several of the upcoming activities that are taking place. After the Spring Fun Fest we have the Blue Jean Ball coming in May and the Gatsby Gala in June, so we're getting the PR ready on that, also. That's the report.

Todd's employee, Bruce, has really been very helpful in getting this out and in keeping up with this to promote the museum.

**DR. GITTELMAN:**

Okay, Audit Committee.

**MR. OLIVIERI:**

The committee had to put off its meeting because we needed to get some documents finalized with the accountants and a few other pieces of data. We will be meeting

sometime within the next few weeks, and hopefully we'll have everything ready to go by then.

**DR. GITTELMAN:**

Buildings and Grounds.

**MR. MACCHIONE:**

We took a tour of the habitat. We saw that the new ceiling has been installed. Work is underway to finish it up and paint it. The taxidermist will come in and actually bring everything up to snuff. Hopefully sometime in the summer we'll be open down there.

Other than that, the big project is the education building. The heaters, the gas instead of heaters, they just have to be wired up now. Once they're wired up, that's it. They're ready to go.

**DR. GITTELMAN:**

And it will be summertime.

**MR. MALLAMO:**

But it's air-conditioned.

**MR. MACCHIONE:**

That's it.

**DR. GITTELMAN:**

Under Buildings & Grounds, what's the progress on other capital projects?

**MR. MALLAMO:**

The Normandy Manor project is scheduled to start in two weeks. The seaplane hangar is out to bid right now. The bids are to be opened on the exterior restoration very shortly. I have submitted the capital budget request for 2008 to 2010.

I have a copy of that in everyone's packet to show what we submitted. If you want to take that sheet out, we can go over that quickly. The five columns on the left, the first column is what was appropriated in 2006. The next four columns are what is currently adopted in the first capital budget for the next three years and subsequent years. The five columns to the right of that indicate the first column is 2007. That's what's included in the budget for this year and what we're going to move to have those funds appropriate very shortly. The next columns are what I have asked for in the way of new funding or funding moved up or back from different years.

In the habitat wing, the project that we're doing now is to complete that room so that we can close out the federal grant that we have for that room. The new ceiling and soffits we put in there, there is a temporary arrangement for several years until we get adequate funding to move the piping into the ceiling above. The planning for that in 2008 would be \$200,000, \$975,000 and then \$900,000 would do that work as well as remove the portion of the Stoll Wing outside the habitat to restore that historic façade of the building, just that one diorama. Then we would expose the delarobia, which we believe is behind it. It's included in minutes from 30 years ago that they were going to build a diorama in front of it.

The Rogers Waterfront, the funding in 2008, that was on schedule, and that is the last remaining installment that we're waiting for. That is in the detail design phase right now. I hope you will see construction started by the end of the summer or fall.

The seaplane hangar, I have been asked by DPW to request the funding to raise the floor and for some other sanitary improvements. That would be the additional funding that they feel is necessary, but we have designed the projects so far to just work with what we have. We would be able to, once we get the exterior done and some minor interior repairs, at least be able to open the building. That would be to secure it against the 100 year storm that DPW is worried about.

Improvements to Normandy Manor, we have asked for funding to redo the roof and drainage systems. That would be the copper gutters and leaders and some exterior carpentry improvements where we have rotted wood and damaged wooden elements, and restore the windows.

The restoration of the facades project, that's a big project and it's probably going to get a lot bigger. Those are the initial estimates that DPW has given me based on an intensive study that's been ongoing for some time. Those figures would take care of certain areas around the mansion, but we have other buildings to do as well. We don't have the estimates on those yet.

Rehabilitation of the plumbing system, that is for a number of buildings on the property that we haven't reached yet with rehabbing the plumbing, the cottage, and the boathouse.

ADA compliance, \$327,000, if you remember we had this money in the 2006 budget. As the planning was not done for that addition to the security booth in time for the appropriation, and we had an emergency situation with the bell tower façade, we amended the façade project in 2006. Instead of \$250,000, we had \$577,000 appropriated. We used that as the offset. I am requesting the money that we had scheduled for last year again next year.

The Goto projector, we have \$1.5 million this year through the first phase and \$1.4 million next year. I have requested that to be moved up from 2009 because it's really important that we get the two parts of this projector pretty close, not a year apart. Are there any questions?

I have had the budget review on this and we'll just see when the County Executive's budget comes out, then it will be reviewed in the Legislature. I'm sure you'll hear more about it.

**DR. GITTELMAN:**

Questions? If there aren't any questions, Development Committee, David.

**MR. D'ORAZIO:**

Okay, winter is behind us and summer is on its way, so attendance should start to pick up. We have a balanced slate of events this year, probably more balanced than in the past of events that we're going to do in regard to fundraising and financial development. Lance will touch on a couple of them. We will be meeting and I will be sending out an email to all of the Trustees a week from this next Monday. That will be two Mondays from now to start on the major event, the "Night at El Morocco." We're working our relationship with our current corporate benefactors, but I think

this year is the year for us to get in some additional corporate monies for these events and bring in some new sponsorships. We're in a good place with the people involved in the events, so I think this year will be a really good year financially with this fundraiser.

**DR. GITTELMAN:**

Marge.

**MS. FUHRMANN:**

Are you talking about April 1 for your meeting date?

**MR. D'ORAZIO:**

We just spoke about it tonight, so I'm not sure. I don't have a calendar on me. It's not this Monday but the next Monday.

**MS. LEBOW:**

April 1 is Sunday.

**MR. D'ORAZIO:**

So it will be April 2.

**MS. FUHRMANN:**

That's the first night of Passover. Would you mind moving that meeting because it would be difficult to attend?

**MR. D'ORAZIO:**

Okay, we can move that. I'll send out an email to everybody and we can come up with a date. Hopefully everybody involved in it can try to come to it and see what we can come up with.

**DR. GITTELMAN:**

Any questions? Education and Exhibits.

**MS. FUHRMANN:**

The Education and Exhibits Committee met, and the first thing we're going to talk about is the just passed Winter Fest, which was a success by all accounting. We sold 25 to 30 memberships a day during that one week. On average we sell 15 to 20 memberships a week. Many of the planetarium shows were sold out. The most popular was "Journey to the Solar System." There were 390 mansion tour visitors that week. The touch exhibits were big hits with our visitors, especially the children. The mansion had a special tour that emphasized Presidential items in the house, and these items were identified by red, white and blue ribbons, which was in keeping with the overall theme of the week.

For those of you who didn't notice when you came in, there is a 60 inch plasma television screen over there. The show will change weekly, and it runs 15 minutes. It keeps current with our events calendar of upcoming events. There is additional information now posted in the windows of the gift shop behind us that gives information on our museum hours as well as membership information.

The only issues that came up during the Winter Fest week were weather. It didn't stop people from coming. We had excellent attendance, but it did cause accessibility issues in some areas just from ice build-up, but those were addressed immediately.

The only other issue we had was there were so many people – and this is a wonderful issue – there were so many people in the mansion who wanted to see the mummy that at some times the Moroccan Court got so crowded that it had to be temporarily closed because there were too many people wanting to see the library, the Moroccan Court, and the mummy, but no one was turned away. Everyone got to see them. They were just directed to other parts of the house and had to wait a little while to get into that desired area of the mansion.

The upcoming Spring Fest, we talked about that and built on the successes of the Winter Fest. The tour for the Spring Fest will be rooms in bloom. It will be the same sort of thing. Items will be emphasized on the tour. There will be special tours and they will be identified floral treatments and whatnot. This has been a very popular theme in the past.

The treasure hunt, which was very successful for the Winter Fest, will be revised in that the hunters, who are mostly children, will get stickers along the way because they all like to collect stickers. Then at the end when they turn in their sticker sheet, they will all be asked to come to the gift shop where there will be a treasure chest and they will get to select a free prize from the treasurer chest that is located in the gift shop. I have some things to pass around about this stuff, which I will start in a minute.

One of the reasons we felt that this was such successful week was advertising. We placed a paid ad in the Times Beacon, which is a series of local weekly newspapers on Long Island. We surveyed our guests while they were walking around the mansion, the grounds, and planetarium, and we asked them how they heard about this and why they were here. We found that the advertising was an extremely successful venue for us. A lot of people had read the ads and were here because they had read about it. They also saw our small section. We had an article in Newsday in their non-for-profit section, which I will be passing around, along with the sign we put up at the corner at 25A and Littleneck Road. The approximate cost for all this advertising was \$600. It was \$600 that was very well spent because it did significantly increase the number of people we saw during this week. Next year we hope to get on the Long Island Rail Road website.

For the Spring Fest we have approached Copenhagen Bakery, which is a local bakery. They have an advertising screen in their bakery. There is no charge to be placed in their rotation of local events, and they are going to have us up for our Spring Fest. So when people come in to get coffee and whatnot, they will see that we're one of the events that is occurring for the week that the students are off from school.

Speaking of advertising, I will be passing around an advertisement that we have placed in *Parents/Children Magazine*. Those of you who don't have young children who hang out in children's rooms in libraries and pediatric dentists, probably aren't familiar with this magazine, but it's everywhere, all over Long Island. It's free. People pick it up and they look through it. It's an excellent source for parents on Long Island for activities for their children during the year and during the summer. We expect it will get a lot of good feedback from this. We will have children coming this summer as the result of our advertising in this.

Those of you who came early and were able to come with us to the Stoll Wing and to visit the dioramas saw the work that was being done. You know that the ventilation

system and the soffits are done, the electricity and HVAC are done, though it was cold, but trust me, the HVAC is done. We projected all construction will be done within the next three weeks. The paint colors have been selected, and as Stephanie mentioned, primary colors will be sea salt, the ceilings will be oyster white. The only open item is the whaleshark and we are working with the taxidermist to come up with a time that he can send in his crew and get the whaleshark straightened out. As soon as the construction is completed, Stephanie will be filing for those matching federal funds. She already has the grants. She needs to file to show that the work has been completed so that they will send her the check for the matching funds.

The telescope that sits in the lobby of the planetarium, we have a grant to obtain a new telescope. Lance is working out the details with New York State. They are now awaiting the 200 annual report. You're working with them on getting that together.

**MR. MALLAMO:**

Yes.

**MS. FUHRMANN:**

Florence, who is our Curator for the mansion and furnishings, has applied for a grant for a consultant to do a preservation assessment for the conservation of the organ room tapestries. We're hoping that that will come through. We have also applied for a small grant through Fiskars Scissors Company to put in an herb garden at Normandy Manor through the Master Gardener's Program. We can't do this ourselves directly, but through the Master Gardener's Program they have applied to develop an herb garden where the roses currently are against the fence along the road. We're waiting to hear something. We should hear something around April 1 on that grant. We're not asking for a lot of money, so we're very, very hopeful. It would cover tools, plants and mulch.

The big Goto news, two members of our staff are going to research Zeiss and Goto at their facilities in April. We should have a report for you next month at this meeting of their findings. They will be in Germany from March 27 to April 1 and in Japan from April 10 to April 15. Just so everyone knows, and this is totally clear, we are not accepting any travel expenses from either of these companies and we are funding these trips ourselves. There was some question from the County about accepting funding for the trip, so we want to make that clear that we're not accepting any money.

We will be running a new show at the planetarium starting on or about March 23 called "Oceans and Space." It has to do with the keys of life. Can life exist in other worlds such as Europa? Avery Brooks from one of the Star Trek TV shows, the small one, "Space Station Nine." I can't remember.

**MR. MALLAMO:**

"Deep Space Nine."

**MS. FUHRMANN:**

Thank you. I knew there was a nine in it somewhere. Avery Brooks is the narrator. Another show that is coming up shortly is "One Small Step," which is about the moon landing.

LIPA has completed their electrical upgrade and in doing so, a number of the electrical problems that the planetarium had been experiencing have been resolved. So we're very pleased about that.

We're very pleased also to announce that the laser shows have been very well attended. Stephanie feels that the PSA has helped greatly in publicizing the laser shows and that they're here. The system has been stable and is working well. I should be knocking on wood. The system will be paid for in full in June. There have been 70,000 laser visits thus far, just so everyone knows.

We have an upcoming program with Dana Sobel who is the author of "Galileo's Daughter." That is scheduled for the second weekend in May. There will be a reception for members only of the museum with the author prior to the program. She will be autographing books.

Tudor Time is working with us on their summer program here. They have a cooperative with us that they send their campers over there. Their theme has something to do with TV shows and the corresponding piece that we will be working on is called "Fear Factor." We will be expanding it and using it for our public programs during the weekends.

Unfortunately, there's always a little bit of not great news about the planetarium. The audio system is suffering. Some of the amps are out, and we do have intermittent systemic problems with that, but Dave is holding it together with a prayer and a promise. Thank you to Gretchen. We are still receiving things from E-Bay, and they seem to be helping tremendously.

New programs that are being developed, Lorraine is back, and she is working on a new program concerning weather, both school groups and as a public program.

The year 1938 is going to be the year for the mansion for the holidays this year. Vanderbilt has invited his celebrity friends over to help him raise money for Huntington Hospital. They are going to have a big party, and people are going to come and get photographs from the celebrities in exchange for giving them money for the hospital. We also have an article – why don't I start passing some of this around. We have an article from *Yachts Magazine*, which is on the Alva and other large boats that recently appeared. We will be receiving a copy of Paul Mastaunis book on the Northport Estates, as he did some of his research here, and we are mentioned.

Second story storage area in the mansion has been re-inventoried and the turntable garage is being prepared for a new car exhibit.

Those of you who are in the mansion this evening, Stephanie mentioned the stanchions that she had found that set off the whaleshark so that no one walks on the glass floor. She has provided the pictures that I'm going to pass around for people to see to see what those stanchions look like.

On a personal note for the education staff, Beth, who is our Educational Coordinator, is taking a short leave to go to China to adopt a 10 month old daughter, so if any of you see Beth, congratulations to Beth.

On May 6 the education staff will be at the Special Olympics at William Floyd School and may, on that date if they have sufficient staff, also attend the Tulip Festival in Huntington.

On June 9 they will be at the Sweet Briar Nature Preserve for another program.

On May 17, in honor of International Museum Day, there will be a free grounds pass available to the public. Our website is now linked to *Families and Children*, which, again, is another source for people to find out about us and the programs that we have.

Spring Workshop registration is ongoing. All the preparation work is done. You all received a green sheet with your packet that tells you about the Spring Workshop.

We are beginning to book for the summer. Our summer theme, as it says in the *Families and Children* ad, is the Egyptian Mummy. Beth and Lorraine are working on a new educational brochure and that will be done shortly.

At our meeting Lance discussed with us his recent conference attendance on capacity building and strategic planning and how it could impact this committee's work. We all found that very interesting.

I'm also passing along a letter that Beth received from Margaret Finney, who is the William Floyd School Librarian, thanking us for attending their Museum Day in September and how much her children enjoyed having us and how they always welcome us.

That's the report, unless someone has some questions.

**DR. GITTELMAN:**

If there are no questions, Finance Committee, Michael DeLuise isn't here.

**MR. MALLAMO:**

That was Michael on the phone with me. He had another commitment tonight and he hoped to get here, but he said he was still going to be at least another half hour. I told him I would give his report.

You have in your packet the Treasurer's Report for the year ending 2006. This is the latest one we have. We don't have the one for January yet. We just missed that one.

While we did end the year in a deficit, if we go back to November we were projecting that the deficit was almost going to be \$100,000. We were able to cut it to \$51,000. As we say at the Vanderbilt, it's better than nothing. We did our best to cut it as much as we could. Luckily we had the infusion from Arrow Electronics that really helped out. In December we had more admissions than we had expected from the previous year just here in the planetarium alone. So we are looking into the feasibility of developing other sponsorship weekends with other corporate sponsors as well, hoping that if we had the same type of arrangement, we could still maintain our admission revenue but have a corporate name associated with it and then appropriate donations to the museums. I think that has real possibilities here.

That's the report.

**DR. GITTELMAN:**

I think it's interesting that we have chosen 1938 to be a theme year. Willie was not very strong on his philanthropies, though. My understanding is that he was on the Board of the Cold Spring Harbor Natural History Society, which later became Cold Spring Harbor Laboratories. I think Stephanie shared with me some letters where he cut off funding from them. He couldn't afford his annual contribution in the late 1930's. Things were tough. He was only giving – well, a guy with \$30 million – he was giving \$1,000 a year, and then he boiled it down to a hundred. We can say that he is one of the founding fathers of Cold Spring Harbor Laboratories, although one of the less generous ones.

Lance informs me that his philanthropy at Huntington Hospital, that he showed his movie from his trip to the Galapagos – I always forget the name of it.

**MR. MALLAMO:**

"Over the Seven Seas."

**DR. GITTELMAN:**

Yes, "Over the Seven Seas." By the way, I read the reviews on that movie, now that I have found the reviews, and the reviews were pretty wonderful. I'm just wondering who he paid.

**MR. MALLAMO:**

Well, he had the producer – who was the producer, Stephanie? Do you remember?

**MS. GRESS:**

Florence would know that.

**MR. MALLAMO:**

He did "Singing in the Rain" years later. He was a talented producer. He definitely had Hollywood connections.

**DR. GITTELMAN:**

In 1938 Willie had gone around South America on the seaplane. He had stopped doing his big yachting trips. The Alva was rotting at its moorings, just about to be contributed to the United States Navy as a gunboat. He was winding down, if you will. He died six years later. It's good to know that he had a soft spot for Huntington Hospital.

It's also good to know that Suffolk County has a soft spot for the Suffolk County Vanderbilt Museum, and we hope that their generous philanthropy doesn't equal what our founding fathers do in the future. I continue to always be grateful to Lance for his efforts in working with the County and helping us keep this continuous flow of capital funding.

It is essential that we get the County to stay on the waterfront because it really is our next major infusion of capital. I think that the big issue that we're confronted with is the issue of balancing the health of the endowment versus the health of the museum, if you will. Not that a healthy endowment is contrary to the health of the museum. But certainly the endowment would be the first consideration and the

museum second. Then we would be looking at keeping the endowment at its current level so that it would always have the ability to support the museum in years to come.

One of the problems that the County is confronted with at this juncture is that inflation eats at the value of the dollars that the endowment can yield, and we are talking about \$1.2 million each year. Each year inflation eats at that \$1.2 million, and this year we have a \$50,000 deficit. So if you think of inflation eating at \$1.2 million at the rate of 3 percent or 4 percent, there's your \$50,000. If we could come up with that \$50,000 and break even, then that would be great. We wouldn't have current problems but that would do nothing to help the endowment.

I don't know what the endowment is today, but when I last looked it was about \$12.3 million or \$12.4 million. Unfortunately, it became part of the Suffolk County Government culture that \$12.2 million was a magic number. There was a statement made by prior investment counsel that alluded to the idea that having \$12.2 million in the endowment would be enough to support \$1.2 million income to the museum. Remember that the endowment is 50 percent equities, 40 percent bonds, 10 percent cash or thereabouts, depending on how investment counsel puts it in. But with taxables -- there is no reason for the endowment to purchase tax frees because it's a non-for-profit. Taxables run about 5.5 or 6 percent, if you can get them. That represents 40 percent, and the 50 percent in the stock market, clearly it's possible that we will be using up the \$1.2 million which we get each year, which by the way we have to renew each year. We could drop below the \$12.2 million, which was the alluded to threshold that the endowment needed to have in order to sustain giving us \$1.2 million.

That threshold was not etched in stone. I was there both times it was mentioned, at least that I think I was. Perhaps there was a time that I wasn't there, but when it came before the Legislature it was mentioned in my view in kind of a way like, "Yes, \$12.2 million would be adequate, depending upon market conditions," which is a very big depending. It depends on which week you pick this year as to whether or not the endowment is going to take a hit or gain. Today was a wonderful day to be in the Vanderbilt Museum. I don't know exactly how the endowment fared, but the Dow went up. A few weeks ago it was the reverse. When we get to the point where day-to-day fluctuations in the market threaten the \$1.2 million income that we obtain, we are in a day-to-day threat of having that income cut the day that the Legislature reviews it. Now when does it review it? I think it was last week that Lance and I received a draft the night before it was issued by Budget Review, which was I thought a very fairly written document. I really don't have any tremendous bone to pick with it, except to say that the \$12.2 million was never etched in stone. It was never a guarantee. It was kind of a recommended threshold that was uneasily given by investment counsel who didn't deny that it would be the right number.

For your information, as another technicality, we cannot go below \$8.8 million.

**MR. MALLAMO:**

I believe it's \$8.2 million.

**DR. GITTELMAN:**

Okay, \$8.2 million. I'm not trying to bore you with figures but \$8.2 million is the original principle as contributing by the Vanderbilts at two different times. One was when Mr. Vanderbilt died and his estate contributed I think –

**MR. MALLAMO:**

\$2 million.

**DR. GITTELMAN:**

Yes, \$2 million, and the other \$6.2 came when – and I have to get this right now – Consuelo died.

**MR. MALLAMO:**

Consuelo is still alive.

**DR. GITTELMAN:**

Muriel. Anyway, why does Muriel have \$6.2 million and Consuelo not? The way it was is that Muriel got most of the money when her father passed away and Consuelo seems to have gotten nothing, which may somehow explain why Consuelo has been very non-communicative.

**MR. MALLAMO:**

From my understanding, she's 105 and has Alzheimer's.

**DR. GITTELMAN:**

That's only recent. She has never been communicative. Look, she has not been communicative for the past 35 years. Anyway, what I need to come away with besides the fact that your President keeps forgetting which daughter is which, is that we teeter/totter with the County Executive's Office and with the Legislature at being at a point where they question the wisdom of continuing the \$1.2 million. At being at the point where they look at the endowment and say, "How much longer can we get the \$1.2 million out of the endowment without, if you will, bringing the endowment below a threshold that it will serve in the future?"

My counterpoint to this is that the waterfront – and you knew I was coming back to the waterfront – the waterfront is our next major capital infusion. It was promised to be completed three years ago. It wasn't. We are essentially looking at the \$1.2 million as bridge money until the waterfront, and that includes the seaplane hangar, is open. Then we will have an infusion of two things. One is general public interest will bring traffic into money because we will essentially change the way in which the museum flows. So we have a long-term plan, which by agreement of the County, we embarked on. By delay of the County we're running into trouble. There has been a suggestion that we should take County funds to supplement the museum. I have resisted that because I feel very uncomfortable taking money from the General Fund of the County. I would rather they keep their promise, finish the waterfront, and we'll be just fine.

In essence, though we may have only – and that's a very big only – had a \$50,000 shortfall, which is huge, it's a lot of money, we are also running at odds with our own endowment and the future of that separate institution. Willie never intended the museum to close on behalf of the endowment. Theoretically, we should have the right to go down to not \$8.8 million but to \$8.2 million. We have the right to go down to \$8.2 million. We do not want to go down to \$8.2 million. We want the

waterfront finished like we all agreed so that we would be self-sufficient and not as reliant on the endowment.

Therefore, we have to press for the waterfront. The first part, which is the boardwalk, is great, but we need that building. So we will continue to lobby for that building. That is the overall threat of my view of the fiscal plan for, shall we say, three or four years.

I will tell you this, the best laid plans, "Mice and Men" and all that kind of stuff, we laid out this plan a decade ago. We got them to agree to it. That did it on a matching funds basis over Bill. There is all kinds of documentation. I'm not pulling this out now. This was something that was agreed upon in writing, and the Legislature knows it and the County Executive knows it. They have to have the will to keep their word. We have to hold them to it. We have to get this done or we will have a problem. Any questions?

It's unfortunate that when Willie died he paid about 87 percent in taxes. Well, Suffolk County got a big chunk of that 87 percent. It was the largest installment of death tax to that date. They have used it for all these years. They have had the benefit of it. It's time for them to pay the museum back and fulfill Willie's promise and build that waterfront.

I may be calling on each of you or all of you to come down to the Legislature and join Lance and I at the appropriate time and express your opinions. Yes, Susan.

**MS. LEBOW:**

You articulate this so well. Have you prepared something in writing to help those of us who want to talk to our respective Legislators so that we have something that we could deliver to them for them to ponder in addition to our talking to them?

**MR. OLIVIERI:**

Yes, just review the minutes to this meeting.

**DR. GITTELMAN:**

It's in the minutes of this meeting, which will be forwarded to you shortly.

**MS. LEBOW:**

I'll work with that.

**DR. GITTELMAN:**

Actually, Lance and I do go to the Legislature at every opportunity and I preach this. If I say it well, it's because I have had so many opportunities to say it.

**MS. LEBOW:**

What I thought is something that is a presentation that's just taking –

**MR. MALLAMO:**

We had a presentation. Each Legislator got one individually.

**MS. LEBOW:**

When?

**MR. MALLAMO:**

I think they received them twice from us.

**MS. LEBOW:**

We have new Legislators.

**DR. GITTELMAN:**

All of the new Legislators have been spoken to. Every Legislator has been spoken to.

**MR. MALLAMO:**

We brought them when we went in December, didn't we, at that one meeting? We had it there.

**DR. GITTELMAN:**

Yes, we brought it to Parks. Lance does the dog and pony show.

**MR. MALLAMO:**

I'll see if I can get one to each Trustee.

**MS. LEBOW:**

I'd like to see that. I would appreciate it.

**DR. GITTELMAN:**

Five years from now we're going to look back. You can pull out these minutes. This is not an "I told you so." This is a plan, a dream. This has been the way we've had it. This is the gamble. I hope that you're all with us and we're all together on this gamble. This is the gamble because the truth is that the endowment is kind of like a separate institution. If they start squeezing us for the health of the endowment as opposed to the health of the museum, imagine what it would be like if they cut our \$1.2 million to \$1 million. Then we would have a \$250,000 deficit. It would only take one year and we'd be closing our doors.

We have argued this with them. They have demanded an alternative plan. They have asked, what happens if the endowment cannot provide \$1.2 million? We do go up to them with an earnest presentation as to what would happen if you took away, let's say, they just limited us to the income of \$12 million. If the income was 6 percent on average, we would get \$720,000. We would have a half million dollar deficit. So what we present to them is this. We can't close security. We can't stop heating the buildings. We can't sell anything. We can't stop maintenance. The only things we can stop are revenue generating items, like education programs, the planetarium, tours. That's the only place we could make cuts. Then we could cut out that side of our revenue that generates money. Then we would be in even worse shape because we must protect the collection. The collection is the buildings and the facilities.

If you cut us or if we are cut down by a couple hundred thousand dollars, then we'll cut and we'll have a bigger deficit. There is no way – they understand that there is no give in this situation. There is no flexibility from our side. Our employees are not overpaid. We have to continue. Look, what could we cut? Nothing. Nothing that would make any sense. They understand the predicament. The problem is that they have not funded the seaplane hangar adequately to this moment. Construction has not begun.

**DR. ROGERS:**

You emphasize the endowment. The endowment is a function of the Dow Jones average, basically, and what your income is over there. The construction of the seaplane hangar is that we perceive that we're going to get revenue from it. But there's one thing here that I think we all missed the boat on. You watch Channel 13 and how they raise funds. They attempt to get companies and organizations behind the program. We have to have income or a source of dollars from industry for the good that this museum does for the community. You get a sponsor for the Bank of America but that's for an event. You have to have permanent people that will participate, that will give us subsidy to the museum. You have to have people that will leave in their will money that will increase the endowment. This is where I see it functioning properly because everything that we talk about here is a temporary fix. I mean, you concern yourself about what the Legislature will do with the endowment. Somebody makes a statement and says you're going to get so much. But that's a fluctuation of the numbers. We started to talk about this before. We have to come up with fundraising more than just an event. We have to have somebody that's going to help subsidize and promote this museum. I think that's a very important part of it. I'm not saying what you're saying is incorrect.

**DR. GITTELMAN:**

It's a related subject. Certainly our ability to raise funds plays into this picture. I chose to bring out the dilemma we have on the endowment versus the waterfront because, one, I feel it's the right thing for me to start the year with. Two, Budget Review just released a report last week. So it's current news. They happened to have released it on a day that the stock market collapsed. With all due respect, it was the one day we chose not to go down and make a presentation. Budget Review has been working with us very nicely. I appreciate it. There was a time when they would never even inform us of their report being released. I think they let us have the report as soon as it's finished. Unfortunately, that was the night before, but we were prepared to go in there. I even wore a suit to work with the anticipation of going. It just turned out not to be the right day. Legislators know. I think if you speak to them, they will understand. I think we have broad support. We just have to be very wary. Bill is correct. We have to keep our own house in order.

**MR. D'ORAZIO:**

These are definitely two separate issues but equally important issues. Corporate sponsorships are something that I talked about earlier tonight. It's something we're really going to stress this year. That money is not money that's going to be going toward the other important issue.

**DR. GITTELMAN:**

Right. The museum could not raise the money to restore the seaplane hangar. It's the County's promise at this point that has to restore the seaplane hangar. We're going to have to make the first stage of the waterfront work for us and show that it will be capital generating. We're going to have to make hay out of that. Then when the seaplane hangar opens, that, too. But in a way it's a plan. You just have to know what it is. You are the Trustees.

**DR. ROGERS:**

You see, I offered a certain amount of money for the dinosaurs. We haven't funded this. Whatever monies that were put in were used for another purpose. Theoretically, the initial fund is now less than what was originally offered.

**DR. GITTELMAN:**

Because of inflation or because of –

**DR. ROGERS:**

That money should be put into some sort of fund similar to an endowment. It was a pledge that was made. I happened to be the individual, but whoever the individual is, that money should be put into a fund. That fund should be earning interest. The interest should be building into that fund. This is the way the museum can re-establish itself. Instead when you get a shortfall here, you take part of the money. When you needed the money, you borrowed it for something. It hasn't been replaced. The philosophy is wrong here. I don't want to sustain the museum on a weekly or yearly basis. I wanted to create something. If I make a pledge and I knew that the money was going to go into some controllable fund, well that money could then be earning interest. Meanwhile, you don't have it. When the time comes that you need it, the interest on it is lost.

**DR. GITTELMAN:**

You've been very generous in allowing us to –

**DR. ROGERS:**

It's not a question of my generosity.

**DR. GITTELMAN:**

Well, you've been very flexible in allowing us to borrow.

**DR. ROGERS:**

Okay, but I saw the results of that.

**MR. SWINSON:**

I'm curious to know if we will have that kind of frequency with the construction of the airplane hangar or the number of people who would be coming in. How much money or monies do we anticipate generating because of the airplane hangar?

**DR. ROGERS:**

We don't know.

**DR. GITTELMAN:**

The airplane hangar will give us the capability to stage major events in the seaplane hangar itself. It will be a destination.

**MR. MALLAMO:**

I think it has the potential to be our equivalent of what the planetarium was in the 1970's –

**DR. GITTELMAN:**

Right.

**MR. MALLAMO:**

Which at that time doubled the museum's income and at one time overshadowed the museum. It was about double what the museum made. Now the two are about 50/50. They both make about the same amount of money in admissions because we've been able to boost up the museum admission significantly. I think this could be a minimum 30 percent revenue producer here at the museum. We would be the only real waterfront cultural destination on Long Island.

**DR. GITTELMAN:**

We could take it a step further. If you go up the New England coast, there is nothing that quite equals this. Certainly there's Mystic, but Mystic is a different thing altogether. But imagine we suddenly become accessible from the water. This would certainly make a wonderful – and in the spirit of Willie, since I've spent so much time reading about his yachting career, he would love the thought of this being a waterfront destination for pleasure boats. What a way for people to go out for a day. Come, moor, come into the museum, go up, walk around, spend your afternoon here, and then go out. I think we'll draw people from Connecticut or Rhode Island. What a great place to go to. They will have money to spend. They will bring money that Long Island won't have to Long Island.

We can make this a major tourist destination, which it will become. It's already a starred attraction in the AAA Guide. It's the only starred attraction in Suffolk County. There is only one other in Long Island. The AAA gets around. If you're visiting the New York Metropolitan area, and they have a star on something – I know when I visit a distant city, I'll pick out the starred attractions. Maybe I'm dumb, but that's what I do. Sure, you can go to the web, but I think the AAA is a little bit more – it's not as commercial in terms of promoting somebody's business. I think if you combine the two, this is going to become fantastic. If you combine this with the boardwalk and the flow of traffic, it's going to be spectacular. We've got to get there, and it's taking too long. If we get caught from behind with a contest over the endowment in the short-term, we all have to be unified that right now we are approaching the endowment as a bridge loan to get us there. We are using the endowment to get us to the promise. When the waterfront opens, we can probably wean ourselves away from the endowment. That will be the plan.

**MR. MALLAMO:**

I think as Dave described, we're really trying to focus this year on increasing our corporate sponsorships more so than any other year in order to repay the loan that Bill has provided us in the past and to pay down our payables. I'm the one who faces the vendors when bills are late and we struggle to keep ahead of our bills. We have been in this situation for a number of years. That's the bad news.

The good news is we're in a lot better place than many museums. As Marjorie indicated, I went to this Capacity Building Workshop two weeks ago with museums from all over the northeast. Historic house museums, and I think I passed that out a couple of months ago, the article in the *New York Times*, are in an absolute crisis. We have to develop our product to attract a whole new generation of people that are not their parents and they're not their grandparents. They are used to getting everything instantly on the internet. We have been able to adapt with our Living History Tours and keeping our product fresh where we've been able to overcome that. In fact, a couple of weeks ago at that conference, they were all asking me, "How do you do that? What do you do?" Everybody is really struggling with that. We have really shown that we can lead the way in that regard. I think if we can get through this issue with the endowment, if the market would pick up again -- let's face it. We've been getting \$1.2 million for ten years, but it should be going up. We should be getting more, but instead we've made that gap by increasing over revenues. We haven't been able to, with the market going down at the same time, so something's got to give.

**DR. GITTELMAN:**

So those are the issues that we face in the Legislature. That is the long-term plan. I think I've gone over this with you before at different times. Sorry if it's repetitious for some of you, but for some of you it's not. It's worth reminding you. That is all I had to say. Is there any old business? Any new business? We have not established a need for an executive session. Can I have a motion to adjourn?

**MS. FUHRMANN:**

Motion.

**MR. MACCHIONE:**

Second.

**DR. GITTELMAN:**

Motion carries. (Vote: 9/0/0/5 Absent: Mr. DeLuise, Ms. Figalora, Mr. Kleinberg, Mr. Parr & Dr. Pecorale.)

(Dr. Steven Gittelman adjourned the meeting at 9:15 p.m.)

**SG:ap**