

SUFFOLK COUNTY VANDERBILT MUSEUM

BOARD OF TRUSTEES

Minutes

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held on September 17, 2008, in the Planetarium Lobby, Centerport, New York.

The following were in attendance:

Dr. Steven Gittelman - President
David D'Orazio - 1st Vice President
Matthew Swinson - 2nd Vice President
Gretchen Oldrin-Mones - Secretary
Michael B. DeLuise - Treasurer
Dr. Anthony Pecorale - Trustee
Daniel Olivieri - Trustee
Susan LeBow - Trustee
Dr. William Rogers - Trustee
Sarah Anker - Trustee
Noel Gish - Trustee
Arthur M. Sillman, Jr. - Trustee
Carol Ghiorso-Hart - Acting Executive Director
John Pokorny – Staff
Jana Folger - Staff
Peter Newman - Staff
Barbara Oster - Staff
Stephanie Gress - Staff
Beth Bertossi - Vanderbilt Museum Neighbor
Ross Bertossi - Vanderbilt Museum Neighbor
Marianne Wason - Vanderbilt Museum Neighbor
William J. Wason - Vanderbilt Museum Neighbor
Thomas Petsche - Vanderbilt Museum Neighbor
Nora Petsche - Vanderbilt Museum Neighbor
Peter Hefter - Vanderbilt Museum Neighbor
Jiesu Mastroianni - Vanderbilt Museum Neighbor
Diane G. Rocco - Vanderbilt Museum
Fred Losen - Neighbor of the Museum
Michael Iadevaia - Accountant
Legislator Vivian Vilorio-Fisher - 5th Legislative District
Lance Reinheimer - Budget Review Office
Ann Marie Pastore - Stenographer

Absent: Effie Gicas & William Macchione

(Dr. Gittelman called the meeting to order at 7:10 P.M.)

DR. GITTELMAN:

This is a regular meeting of the Board of Trustees for the Suffolk County Vanderbilt Museum. Do we have a list of guests in attendance?

MS. PASTORE:

Yes.

DR. GITTELMAN:

Thank you. It is the custom of the Board of Trustees to invite anyone who wishes to address the Board to do so at the beginning of the meeting. If there are visitors who wish to make comments, we welcome you to do so.

MR. BERTOSSI:

Do you mind if I sit? The microphone is a little short.

DR. GITTELMAN:

Unfortunately, you have to speak into the microphone. We do keep a formal record.

MR. BERTOSSI:

No problem.

MS. PASTORE:

Could you please state your name?

MR. BERTOSSI:

Yes, Ross Bertossi. I'm a neighbor of the Vanderbilt Museum. I have brought with me other neighbors of the Vanderbilt Museum. For the time being, I'm going to speak about our complaints relative to the noise code violations emanating from the tent that's been erected for events within 100 feet of our property line.

We have spoken about this before. Our complaints go on the record back to August of 2007. We have just put our complaints in writing recently. I believe you're in receipt of that letter.

To summarize, we believe that the Vanderbilt Museum is violating Town Code 141 with the frequency and volume of these events. We're here today to discuss what you're going to do to end those violations. I don't know if you want to hear – we have tons of complaints about them. The bottom line is, Thursday nights, Sunday nights, Friday nights, Saturday nights in the five years that we have lived here, there has been an increase in the volume and frequency of the events. We are here to know what you're going to do about it. We would like to hear what you have to say.

DR. GITTELMAN:

Well, we're really here at this juncture to hear what you have to say.

MS. BERTOSSI:

I can add to that. I'm Beth Bertossi.

MR. BERTOSSI:

Does everyone here have the contents of the letter?

DR. GITTELMAN:

No.

MR. BERTOSSI :

I thought that was shared with everybody. I assumed, Dr. Gittelman, that you have the letter.

DR. GITTELMAN:

I received the letter and I did respond.

MS. BERTOSSI :

What I have in response is from two or three days ago inviting us to come here.

DR. GITTELMAN:

Yes.

MS. BERTOSSI :

But what I just want to add to my husband's details is that Ms. Hart and I have been having contact since August of '07. We're surprised that nothing has been accomplished since then. My neighbor Nora Petsche and I visited and spoke to the woman who ran all the wedding events last August. Ms. Hart, you took over as the Acting Director not so long ago, so we have been talking back and forth. We have been in communication. We're surprised that you don't know more about this. We have had many neighbors call and complain about the noise. We called the police. We called the Public Safety Department.

MR. BERTOSSI :

To summarize, Chapter 141 of the Town of Huntington Code says "any noise that is a detriment to the peace, welfare, comfort, safety, convenience, good order, prosperity of the residents of the Town of Huntington," and it goes on to list offenses and details. It also lists that any reasonable person determining that this is offensive – and we have numerous police complaints and as the police have said, this is outrageous, over the top and unreasonable.

MS. BERTOSSI :

I understand you were at the event this past Saturday. I believe there were 17 events this summer. We went over this together. When we moved in, there were two or three. I know the neighbors that we brought, some of them have been living here for 40 years. There used to be one or two events, quiet events, not in this giant tent, and now there are 16 or 17 events that we have to listen to all summer long. We cannot even – we have to close our windows but we still can't put our kids to bed. That's one thing. Saturday night, I understand, you were at the event. So I'm curious to know what you thought of that noise. I know another neighbor drove up and asked you to turn the music down, correct?

MS. GHIORSI-HART:

Yes.

MS. BERTOSSI :

And they radioed you down at the tent.

MR. BERTOSSI :

The bottom line is this is not the mission of the museum. This is a semi-permanent catering hall within 100 feet of our property. This is not what anybody bargained for in the five years that we have been living here and in the

30 plus years that other people have been living here. I think you are prepared enough to respond to this, and I'd like to hear your response.

DR. GITTELMAN:

The museum raises funds by having events at the institution. I think that there is a responsibility of the museum to raise money to keep its operations going. My understanding is that by contract with the people who do have these events, we end the music or the sound within the code allowed timeframe. We do not go beyond 10:30, I believe.

MS. GHIORSI-HART:

We don't go beyond 10:30, although I will allow maybe ten minutes because it –

AUDIENCE MEMBER:

Not to interrupt you, but it's gone well past.

MS. BERTOSSI:

We've called you at 11 P.M.

MR. BERTOSSI:

We don't mean to interrupt, but it has clearly gone past 10:30.

MS. BERTOSSI:

It's not even about the time. It's about the level of the noise.

DR. GITTELMAN:

There is just no easy answer. The museum has to raise money. Having and using its facilities for events such as this does fall within – at least our interpretation of the museum's mission and within the will of Mr. Vanderbilt. Let me allow me to express to you, and I'm not going to get into an argument with you on those points, but I think that if you stay in this meeting, you will get a sense for the difficulties that the museum faces financially and that perhaps the solution might actually exist in recognizing that in order to survive, the museum may not always do what everyone wants it to do and that maybe we have to work together to help the museum raise funds.

AUDIENCE MEMBER:

Perhaps you should work with us.

DR. GITTELMAN:

Excuse me, if you're going to address us, then you're going to have to do so formerly.

AUDIENCE MEMBER:

I will do that.

DR. GITTELMAN:

Thank you. I would appreciate that. By all means, everyone will get an opportunity to speak. I think what we could say is that the solution probably lies in working together to help each other with the problem. But the museum does have a financial problem and does have to rely on using its facilities to move

forward. That being said, we have no intention of breaking the law. If we have broken the law, and if there is some indication that the law was broken other than your opinion, which although I respect it, I think that it does require us to look at other sources of opinion, but again, if we're breaking the law, of course we will abide by the law. Other than that, we have to do the best we can to maintain the facility. I would be glad to listen to anyone else and any Trustee who wishes to make comment.

MR. BERTOSSI:

Before anybody else has anything else to say, I guess I'll just finish up.

DR. GITTELMAN:

If you could finish up one at a time, I would appreciate it.

MR. BERTOSSI:

Sure. Am I hearing that you're acknowledging that it's a problem for us?

DR. GITTELMAN:

You're saying it's a problem for you.

MR. BERTOSSI:

I'm asking – I thought I heard you acknowledge that it is a problem for us. I understand about the financial problems of the museum –

DR. GITTELMAN:

The museum has a financial problem. We have an obligation. I understand that you're bringing a problem that you have to us. I'm not saying, "It's your problem." I'm not saying that. I'm saying that if we have problems, we might want to work together to come up with solutions that benefit the institution's needs and maybe yours.

MR. BERTOSSI:

That's what we're looking to do. I want to be clear on something. My wife attended a Board Meeting relative to noise violations, and my wife raised the issue and then it was pointed out in the press that we haven't been there very long. We have been there a year and that we're the only ones complaining. I don't consider that, and that wasn't the case, obviously. If I'm hearing that you're acknowledging that we have a problem and that you're willing to work with us, I'll leave that as a start, and I'll let anybody else who would like to talk, talk.

DR. GITTELMAN:

We certainly have to listen to what it is that is a problem for you. We certainly want to hear what you have to say. I'm kind of glad you're here.

MR. BERTOSSI:

And I'm hearing the offer to work together.

DR. GITTELMAN:

Absolutely.

MR. BERTOSSI:

And I'll leave it to anyone else who wishes to speak.

DR. GITTELMAN:

Just to set up some ground rules, once you surrender the microphone, if it would be okay we should move on to the next person.

MR. BERTOSSI:

Okay, but did I surrender yet?

DR. GITTELMAN:

No, you can continue.

MR. BERTOSSI:

I'll be specific. Here are seven suggestions. I haven't heard suggestions at this point. I'm happy to hear that you're willing to talk about suggestions.

Number one, move the tent behind the museum potentially. Move it away from the property line; 100 or 200 yards would make a significant difference in terms of the sound volume.

The frequency of events has clearly gone up since we've been there. Nobody wants the museum to struggle financially, but with this frequency of events, if you were to raise the prices, you would probably have fewer events and more money, I think. That would attack the frequency of events issue.

Close the tent flaps. I'm not saying close them all because everyone will be sweaty, but if you close the tent flaps that are pointing to the neighbors' houses, that would redirect the sound to another direction away from the neighbors' houses.

End the Sunday and Thursday evening events. I'm not talking about the car shows and that type of thing, but Sunday nights, and I don't know if it was before we first complained, but there was a Sunday night wedding that went to about 11:30 a couple of years ago. It was absolutely ridiculous. End the Thursday and Sunday events.

Monitor the decibel levels so if there is party or a band that is here frequently over the top in terms of the decibel levels, that the museum could talk to that party and say, "Look, your band is too loud. Don't do this again."

Distribute the schedule to the neighbors, so that we know. If there is a party, this might be a lost Saturday if we were planning on having people over for a quiet glass of wine or something like that. Just let us know. We're not saying no events, but let us know so that we can plan our own schedules around it.

The last one of the seven is to be cognizant of where the speakers are facing. If they are facing the neighbors, obviously, again, it goes directly there. I think and I haven't gone over this with all the neighbors and I know there are differing opinions and people who would said, "Look, we don't want anything here." I understand the financial issues. We're making these recommendations and ask that you work with us. I can give you my chicken scratch if it helps.

DR. GITTELMAN:

I've been taking notes.

MR. BERTOSSI:

I will forfeit the microphone. Thank you.

DR. GITTELMAN:

Is there someone else who would like to speak? Are there any Trustees who would like to comment at this time? If not, next speaker.

MR. HEFTER:

I would like to speak.

MS. PASTORE:

Could you please state your name for the record?

MR. HEFTER:

Yes, I'm Peter Hefter. I live not within 50 or 100 feet of the Vanderbilt property. I live on the other side. I am a sound engineer by trade. The noise floor that the speakers are making, I can hear very loudly at my home. I have three young children on a Saturday night who can't sleep because the noise floor from the Vanderbilt Museum is such that it keeps them awake.

If I were to have a rock and roll band in my backyard, and they were to play every Thursday, Friday and Saturday night to the back of your home, you would want me to stop that. Would you not? You would take every step in your power to make me stop. So I'm asking the Board, what do you guys suggest that we do to help us co-exist with you? We certainly understand your problem with money. We understand it, but 17 events all of which the noise is way over the top, guys, can we move the tent? Can we cut the noise down? Can we do something to help us live our lives, so that we can peacefully coexist?

We live on the Vanderbilt property as well. I don't know if you guys know that, but that 45 acre piece is originally part of the Vanderbilt property. So we live on the Vanderbilt property. Peaceful coexistence is all that we want. We would like to hear from you guys and hear what you have to say. All I have been hearing is, yes, yes, yes, we recognize that there is a problem. Do we have the problem? Is it only us who has a problem, or are we going to try to work together to solve the problem here?

MR. LOSEN:

My name is Fred Losen. I live about a block further away from the Bertossi's. I have been living there almost 31 years. When I first moved there, it was beautiful. There was no sound, just a nice place to live. In the last five or six years the volume of noise, and I'll call it noise because I don't like it, has just increased and increased. The intensity has increased. A solution would be maybe you should turn down the volume of the speakers. Or do we have to get sound engineers there to prove to you that you're exceeding what is allowable by the County or town?

Another solution is that you can issue us all ear plugs so we don't hear anything, but I don't think that's viable. How about just turning the volume down to a reasonable level? I can see where you want to entertain your guests on the dance floor in an enclosed area, but two or three blocks away is ridiculous. Can't you just be a little more reasonable and turn the volume down? Thank you.

MS. ROCCO:

Hi, I'm Diane Rocco. I am at 26 Gina Drive, which is two doors down from the Bertossi's, so we're right on the Vanderbilt perimeter. I just wanted to reinforce the neighborhood's hope that you will seriously consider some of the suggestions that Mr. Bertossi is recommending, because from a perimeter perspective it seems like perhaps moving the tent seems very viable. It seems like a number of the suggestions were tangible and realistic.

I really do hope that the Board will seriously consider working with us so that we can all coexist peacefully because we certainly do not want the Vanderbilt to change in any way, shape or form other than to help us all coexist more peacefully. I'm hoping that my one and a half year old's first words aren't something from Kool and the Gang because he hears this rock music every Saturday night when we put him to sleep from his room on the street side. It's quite loud. I do hope that you all seriously consider some of these very tangible, realistic suggestions that the neighborhood has put forth. Thank you.

DR. GITTELMAN:

Can I invite anyone else?

MS. WASON:

I'm Marianne Wason. Mr. Gittelman, I have known you for almost 40 years. We've gone through ups and downs with the Vanderbilt. We have gone through some really serious problems with the Vanderbilt going back to rock concerts. However, at the time, we were able to work things out for all of us.

We have been members of this museum for as long as we have lived here, for as long as you have had memberships. The last three years, there are no membership drives. We do not get a renewal for our annual fees. I have called. I do not hear from anyone. We have gone through wonderful events with you. You used to work with the neighbors. You would have coffees or get-acquainted gatherings, and you were always willing to work with us. I don't know what has happened.

I live on Little Neck Road. I can hear the sound. I can hear every note of the museum on Little Neck Road, and that's quite a distance away. I feel very, very sorry for the people that live right along the fence here. I'm very, very upset. We have had a wonderful feeling for the Vanderbilt for all the years that we have lived here. Now this has happened. I really hope that you all consider and really, really understand what we're going through. Thank you.

DR. GITTELMAN:

Thank you. Tony.

DR. PECORALE:

My name is Dr. Anthony Pecorale. I guess, except for Steve, I'm the longest serving Board Member on the Board. I know we have gone through some periods of time where we have had this problem, but then it seems to be that we were able to work together and resolve the issues.

What I'd like you to do is to just give us an opportunity to see if we can come up with some solution to the problem along with those that you have suggested. I don't believe that there is anyone on this Board that is a Trustee who does not

want to work with the community. We have had problems in the past, and we have resolved them as the previous speaker said. I can assure you that we have heard you and now you need to give us a chance to see what we can work out. I think that it's in our best interest and your best interest to work with you and to try to resolve the problem. It is also important for us to make sure that you understand our problem and you try to help us with that problem as well. I can assure you that this will be discussed by the Board.

DR. GITTELMAN:

Are there other Trustees who wish to speak?

MR. D'ORAZIO:

I'm Dave D'Orazio, a Board Member. I just want to let all the neighbors understand that we're not turning a blind eye to you. I personally spent half an afternoon here with our Interim Director driving around the property, talking, discussing. The entire conversation was about the events and about concerns and about the tent and the noise. So it's not that we're not talking about it. We're actively working on this. We want to work with everybody. We have had a lot of dialogue about this on the phone. It's active. It's something that's being discussed. We're going to try to work together and see what we can do. It may be an amalgam of things that we have to do to make everybody happy. It may not just be one particular situation. We have to look at everything that we can do to keep our profits up and our revenue coming in and also making everybody else happy. I just want you to know that it is not an unfruitful thing in coming here and speaking to us. We do hear what you're saying.

DR. GITTELMAN:

Michael.

MR. DELUISE:

I'm Michael DeLuise. I'm the Treasurer of the Board. In putting my notes together for my report tonight, if you stay around, you will hear what I'm saying. I think we have been very sensitive to making this a community project. We do want to work with you. I think there are some things that we hope to do in the future that will really solve most of these problems. Are we going to need your help? Yes, we want to work with you on this. If somebody has other ideas -- I think some of the ideas you talked about tonight we will talk about and see if we can address them. But I think there are other things, too, that we might want to continue a conversation. I think the Board would be willing to meet with you folks. We need to be partners with you to make this the best institution it can be. So it's not that your words are falling on deaf ears. We're trying to make this the best institution it can be.

DR. GITTELMAN:

Carol.

MS. GHIORSI-HART:

I just also wanted to say that we have been trying to help in areas that I do have control over. For example, the first time I did hear from you last year was after a Latin orchestra concert, which was in the tent. This year it was my event so I had the option of moving it, and we did not have it in the tent. We moved it to the courtyard directly in response to you concerns. My concern is you were still unhappy with the noise level with it in the courtyard so that's another issue.

Our annual gala, which is October 3, normally is in that tent with an orchestra. This year, again, we're moving it into the courtyard hoping, again, that the events that I have some control over I can try to do something and certainly keep an eye on the noise levels. So that's one way we have been trying to help. We certainly are keeping an eye on flaps on the tent and telling people to turn it down.

We added into our contract with wedding people that in the event a band or DJ is used, that there are noise ordinances that could prevent their party from continuing if the neighbors call and that amplification of noise must be moderate. My staff is down there telling them to turn it down. Unfortunately, apparently as soon as they leave, they turn it up. I've talked to engineers and architects and one of the problems just with moving that tent another 100 feet closer is that there is a big wall there of the mansion and the sound bounces back I'm told. So you're getting sort of a double problem, but we are looking into it and trying to moderate as much as we can.

DR. GITTELMAN:

I was reminded, and I will be glad to have more people come up, we're not shutting this discussion down so quickly, don't worry, but I was reminded that we have had problems in years past. We did work together to solve the problems.

The biggest problem I remember was with the laser shows. I think by my count we had the meeting in the marine museum up on the hill and it was a standing room only crowd from end to end. It didn't have to be standing room. We would have responded to ten people. It didn't take 100 people to make us listen. We made changes and we accommodated. We will do the best we can.

But I kind of urge you to stay around and listen to the rest of this meeting tonight if you could and if you have the time. If anyone of you will stay, please listen to what the meeting is about and what we are dealing with, just so we can have kind of a fair exchange of information, so you understand our problems. Indeed, I think you are the friends of the museum, even though sometimes friends don't always get along perfectly. We do feel that you have the museum's interest at heart. If you would stay, we would appreciate it. Is there anyone else who wishes to make a comment?

MS. PETSCH:

My name is Nora Petsche, and we live looking at the Bertossi's to the left. We are directly on the water, but we border the Vanderbilt. We have been here since 2000. I know everybody's focusing in on the tent and the parties. I just wish that other considerations would be made as well to maybe on the fundraising side put a limit as to how many parties there are a year for that portion of the fundraising – maybe six parties and allow it to be the wine tasting or the ones where you have the most profit and then ask us to help you. We belong to several other – I belong to two other boards myself. We have other means to help you maybe raise funds, but not through the tent. We can limit the noise that way and stop the issue of having 17 functions. Let's pick something that works for everybody. It is burdensome when it's every single weekend. It seems like our whole summer was ruined this year, and it really was, actually. We have to do something. Thank you.

DR. GITTELMAN:

Is there anyone else either in the audience or on the Board who wishes to make a comment?

MR. BERTOSSI:

I finished with the mike so I can't come up again?

DR. GITTELMAN:

You can come up again.

MR. BERTOSSI:

I look forward to hearing a response from the Board and then having a further conversation.

DR. GITTELMAN:

We will.

MR. BERTOSSI:

Thank you.

DR. GITTELMAN:

May I ask if there is anyone else who wishes to address the Board on any other subject? We will move on. This is an unusual evening, not only because we have so many guests in the audience because we usually don't, but it's also unusual because we have two new Trustees, and I would like the new –

MS. GHIORSI-HART:

Three new Trustees.

DR. GITTELMAN:

Yes, three new Trustees. Sorry. I think it would be good if we just went around the table and introduced ourselves. Not to put the new Trustees on the spot, why don't we just all introduce ourselves to each other? It will take a few moments, but let's just do that. Let's start in that corner, Dan.

MR. OLIVIERI:

Dan Olivieri. I just got reappointed to the Board. I'm going to serve my second term. I'm a former 1st Vice President. I'm the Audit Committee Chairman right now and on the Employment Committee right now with Gretchen. I am a lawyer. I've lived in Huntington all my life. I guess that's it for now.

MR. SWINSON:

Good evening. My name is Matt Swinson. I also serve on the Audit Committee. I live in Bay Shore. I'm an administrator in the Port Washington School District, and this is my third year here on the Board.

DR. PECORALE:

My name is Anthony Pecorale. I've been on the Board a number of years. I have served in various capabilities.

MS. OLDRIN-MONES:

I'm Gretchen Oldrin-Mones. This is my fourth year on the Board. I'm on the Education and Exhibits Committee. I'm so delighted that we have new Board Members who have already expressed an interest in being on this committee. I'm the Secretary of the Board. The last time around I was the 2nd Vice President, and I am on the Employee Manual Committee. Welcome.

MS. ANKER:

Sara Anker. I'm a new Member to the Board. I'm a Mount Sinai resident. I'm on the Board of Education for the Mount Sinai School District. I work as a Public Relations Director for School Districts in Suffolk County. I'm hoping to use some of that experience in helping the museum. My background in addition to public relations is environment. I have worked a lot with cancer, breast cancer and child health issues.

DR. GITTELMAN:

Welcome. I'm Steve Gittelman. I've been on the Board I believe 19 years. I have been President for 16 years.

MS. GHIORSI-HART:

I'm Carol Ghiorso-Hart. I have been the Acting Executive Director for about a year. I am a cultural anthropologist. What I'm hoping to do is develop more communication with our local community. I'm hoping maybe before any of our neighbors leave, they can leave some contact information so we can talk further.

MR. D'ORAZIO:

I'm Dave D'Orazio, 1st Vice President this year. I work for the Long Island Rail Road and am a Nesconset resident.

MR. SILLMAN:

I'm Arthur Sillman. I live in Cold Spring Harbor. I'm a businessman. This is my first meeting on the Board. It's been interesting so far. I'll be back next time.

MR. DELUISE:

I'm Mike DeLuise. I serve as the Treasurer of the Board. I guess this is my second term as Treasurer of the Board. My background is non-profit in entertainment. I actually live in the Vanderbilt mansion, but it's the one in Oakdale at Dowling College. I'm the Vice President of Dowling College. I'm also a resident of Huntington.

DR. ROGERS:

I'm Bill Rogers. I've been on the Board probably four or five years. I think I don't do anything but occupy a seat here and listen to all the complaints and do whatever good I can do. I find it very interesting and entertaining. I'm very interested in education and I think we try to do a good job here.

MS. LEBOW:

I'm Susan LeBow. I'm a resident of Huntington and I'm an attorney.

MR. GISH:

I'm Noel Gish. This is my first day on the Board. I didn't bring my sound equipment with me today. I spent 35 years teaching at happy Hauppauge High

School where I retired in 2004. I'm now a Trustee with Suffolk County Historical Society in Riverhead. I am now on the Board here at the Vanderbilt.

DR. GITTELMAN:

I welcome our three new Trustees. I think they are rather distinguished. I think they will be a tremendous asset to the Board. I am sure that every Member of the Board agrees with me. Thank you for joining us.

We also have Vivian Vilorio-Fisher, who is a Legislator and Chairwoman of the Parks Committee. She is very important to the future of this museum.

We also have Lance Reinheimer, who is in the Budget Review Office. We have a terrific relationship with Budget Review. We are very pleased with the quality and quantity of the messages that we get from Budget Review. Although I'm not always happy to see exactly what they have to say, as perhaps tonight I'm not going to be happy with their message.

What I would like to do now that we have introduced the Trustees, I would like to do a few business issues. One is to approve the minutes of the last meeting.

MS. OLDRIN-MONES:

There was one change. On page four, the second paragraph, third sentence down, it says "Kudos to Stephanie and Dan," instead of "Dan" it should say "staff." I move to approve the minutes.

MR. DELUISE:

Second.

DR. GITTELMAN:

All in favor? Opposed? **The minutes from July 16 are approved. (Vote: 12/0/0/3 Absent: Ms. Gicas & Mr. Macchione. One vacant position.)**

Okay, we have a second motion to approve the minutes from the previous meeting, which we couldn't approve because we did not have a quorum. Are there any additions or changes regarding those minutes?

MS. OLDRIN-MONES:

We already discussed that change at the last meeting. We changed "Atlantis" to "Atlanta."

DR. GITTELMAN:

Can I have a motion to approve those minutes?

MR. D'ORAZIO:

Motion.

MS. OLDRIN-MONES:

Second.

DR. GITTELMAN:

I have a motion and a second. All in favor? Opposed? **The minutes are approved. (Vote: 12/0/0/3 Absent: Ms. Gicas & Mr. Macchione. One vacant position.)**

I would like to ask Legislator Viloría-Fisher if she has any comments she would like to make to the Board.

LEGISLATOR VILORIA-FISHER:

I was going to wait until the Finance Committee portion came up, but --

DR. GITTELMAN:

Would you like to come up?

LEGISLATOR VILORIA-FISHER:

I have some brief comments. I think we're all sensitive to the fact that we are right now nationally in a very difficult economic straightjacket. It is very frightening what's looming before us with the economy. Certainly working on the 2009 budget, as a Suffolk County Legislator, I am very concerned about what's going to come before me being a member of the working group that will be developing the budget.

I mention that because you may have all received from your financial advisor or whatever 401 instrument you have, savings or investments, they are in very dire ruins recently. Certainly the Vanderbilt as an entity has not received better news than the rest of us – maybe better than a lot because we're doing pretty well comparatively speaking. My concern is that we are getting closer and closer to the corpus of the endowment. That would be something that would be seriously unacceptable. But the problem is that the Vanderbilt is being squeezed both ends against the middle.

I'm going to yield to Lance because he has had a series of suggestions, and I would like to listen to him as the bean counter – no offense, Lance – who can give us a more detailed and accurate assessment of ways to go.

But as I was listening to your neighbors, I couldn't help but think that when I interviewed you, and I was on the interview committee of all three new Trustees, we all talked about how we could advance.

In fact, I spoke about that with the three appointments. We have to always speak about development and advancement. Your neighbors have two different areas where they had good suggestions for advancements. One of them being that there be better outreach for that membership. I saw all of you writing that down. There was one woman who came up and said, "What happened to our membership letters?"

Certainly, we have to reach out to our close neighbors first. Someone else mentioned her relationship on other boards. If that's a resource that we haven't looked at, then we should be looking at that. If our neighbors are good neighbors and want to continue to see this jewel that we have in Suffolk County – I love the Vanderbilt. I know that when I interviewed the people who are new members, each one of them expressed the kind of affection and pride that we all feel for the Vanderbilt.

We want to continue to see us run as a viable entity and to grow and meet the needs of the people of Suffolk County. Educationally, culturally, artistically, we want to see that growth and sustainability. But sustainability in these difficult

economic times is very challenging at best. I don't plan on just coming to this one meeting when we're facing dire decisions. I hope to come more often.

As you know, Steve, when I was the Parks Chair a few years ago, I came a few times a year to the Trustee meetings just because as a Legislator I liked to see, and I usually didn't speak when I came to the meetings, I would just listen as the Trustees deliberated because being a Legislator and having the purview of being Parks and Cultural Arts Chair, it behooves me to learn as much as I can. Tomorrow I will be attending the Parks Trustees meeting just because I think it's important for us to learn the details of all of our different arms here in Suffolk County.

Not to belabor the point, I want to, if I could, yield to Lance to tell us from his point of view where we're at.

DR. GITTELMAN:

Lance and I have an understanding. We briefly chatted before. I just wanted to explain some things. We have some new Trustees so I just wanted to bring them up to date on the historic background of the endowment and then we'll yield to Lance, if that's okay with you.

LEGISLATOR VILORIA-FISHER:

That's fine with me, whatever you have worked out with Lance. I just want to make it clear that I wasn't proposing myself where to go in specific terms because Lance is much more knowledgeable in that area and that I yield to him in that regard. But I do want you to know that I am a friend of the Vanderbilt. I think those of you who have been here a number of years know that.

By the way, I always think wedding music is too loud, even when I'm a guest. When my daughter got married, we told the DJ, if you don't listen and turn it down when we ask you to turn it down, we're not paying you. It's a problem where less is never enough, that it's always got to be more and it's always got to be over the top. I stopped going to concerts because of that because it's an irritant, but maybe that's a factor of my age. We won't go into that. I know that you're going to address this with your neighbors because the Vanderbilt has always been a good neighbor. I know that you will in good faith work with your neighbors who have expressed their concern. I thank you all because you are all volunteers. I thank all of you for the really good service that you provide to the people of Suffolk County.

DR. GITTELMAN:

When I go to the Legislature, I receive a feeling of warmth, but it's not always easy to go and ask for things that we need. Not only do I feel that our interests are in very good hands and that I'm grateful for your attendance, but I also thank you for the way in which you have always received me when I came into your home and had to present the interest of the museum. You have been a tremendous ally and so have many of your colleagues, but you in particular.

Let me explain, if I may, the endowment. I do this every year. It's almost a tradition. Unfortunately, it is not a tradition that lacks – it's almost like it's compelled upon us. There is no latitude because each year I submit a resolution

with the help of the Director to the Suffolk County Legislature for permission to renew the income stream that the museum receives from the endowment. The endowment began as a request from William K. Vanderbilt.

It started out, and Lance can correct me later, but I think it started out at \$2.3 million in the first round, something like that, and then in 1970 a second installment. The important number to remember is that the principle, the original principle is \$8.2 million. We were to receive the income from that principle to run the institution. That's in the will.

In good times when I first came here, I believe the interest rates were something above 10 percent. There were double digit interest rates, so having what was probably close to \$16 million in the bank and receiving 10 percent of that was more than enough for the institution to run without raising any money at all. For a long time, from 1950, when the institution first opened to 1980 -- plus the institution ran on the endowment and raised very little revenue either from programs or from fundraising.

When the interest rates peaked, someone came up with the idea, and it was me, that it would be a good idea to go to the Legislature and say, "Well, interest rates seemed to have peaked and maybe we should diversify the portfolio," because at that juncture, the portfolio was approximately 10 percent cash, 10 percent in equities and about 80 percent in bonds.

We came up with the idea of having investment counsel diversifying the portfolio. The income stream, which then was still perhaps 10 percent cash -- I'm using round numbers for explanatory purposes -- 40 percent in let's say fixed instruments, bonds, and 50 percent in equities. We had growth. We also had less interest by definition because we were now living off of 40 percent. It was a good thing that we made the change because interest rates plummeted.

As interest rates dropped, we received at that time \$1 million a year and that went on for some years. As time passed \$1 million a year got smaller and smaller and smaller. It has a way of doing that. The institution came up with another bright idea, it was me again, we asked for \$1.2 million. We have been getting that \$100,000 a year --

DR. PECORALE:

A month.

DR. GITTELMAN:

Yes, a month. Thank you. We have been getting that amount for quite a while. Some years ago, investment counsel was questioned on the floor of the Legislature as to what was the threshold in the endowment that the sustainability of this \$1.2 million might be threatened. He said \$12 million, which implies 10 percent going to the museum, so from a combination of 50 percent equities growing at some rate, blended with a return of interest, whatever the interest rate was at the time, he projected that he needed \$12 million to sustain the institutions request for \$100,000 a month. All the Trustees that have been here have grown under this umbrella of \$100,000 a month and every year I have gone back to the Legislature and asked for renewal.

So there are two hurdles. The first hurdle is, and it's a very difficult hurdle perception wise, that's the \$12 million. The other one is the 10 percent. I guess that's two hurdles. The third really is the \$8.2 million. Whereas the Legislature can go below the \$12 million, they can't go below the \$8.2 million. When we get down to \$8.2 million, we can receive the income. We can no longer receive the realized gains or even unrealized – and that was another debate but I won't get into the details of that – Lance probably remembers it well. The growth and the equities can no longer be credited to our account, if you will. Once we get to \$8.2 million it's whatever comes above that \$8.2 million. That's the income we're going to get. I think to come up with any other interpretation would be difficult. I think Lance is going to tell you in a few minutes that that's the bottom line.

The reason for that is that Mr. Vanderbilt said that we had the right to receive the income. We can debate as to whether the income includes the growth of the equities or not, which the Legislature has gone along with, but we cannot debate what the principle is, \$8.2 million. We made that argument on the record years ago, and I'm afraid we will have to live with that.

That's the way the endowment is. Lance has given me a chart, which I don't think will surprise any of you. I will pass that around. As of my last call, fortunately for the news it was before today's holocaust in the markets, it was yesterday, but we had about \$10.35 million. Lance and I may be redundant but it's good to hear from both sides. The endowment clearly has tumbled this year. You would have to be living under a rock not to know that it tumbled this year. It's likely to have tumbled today, although I can't give you the data because they just wouldn't give it to me at 4:10. We are fortunate to have Lance here to explain to us his assessment of where we are so that all Trustees and all of us, our community as well as the Board, can really be on the same page now. Unfortunately, we're having a tough year. Lance, would you join us?

MR. REINHEIMER:

Thank you very much. First for the new Board Members and perhaps some of the older ones – longer, tenure, and neighbors – let me just explain a little bit about the Budget Review Office. The Budget Review Office is a professional staff for the Legislature. We work for all 18 Legislators. We're independent. I have been there for 19 years. I guess I'm still called a bean counter but I'm Assistant Director of the Budget Review Office.

LEGISLATOR VILORIA-FISHER:

Sorry, Lance.

MR. REINHEIMER:

I actually like being called a bean counter. I really think in numbers. People that don't like numbers fall asleep when I speak. Back in 1996 one of our analysts retired and I was given the Vanderbilt as an analyst and took special interest.

First of all, I have an interest in finance and in the markets and I've been interested in the Vanderbilt. I have an interest in Suffolk County. We have had a debate with the Board and President Gittelman over the years. We have had our ups and downs in terms of perspective. We respect each other but we have different perspectives.

Respective of Budget Review and the Legislature is the long-term. It's a delicate balance to be able to take an endowment and have it produce enough income and revenue for you to carry on your programs, expand your programs, be open to the public and at the same time look down the road and try to grow the account. Those are mutually exclusive investment objectives. You just can't do both. It's very difficult.

An endowment of this nature, museums and such or personal endowments, personal funds, if you want them to work over the long term and you're invested in stocks, mostly stocks, some bonds, you can expect a long-term gain of about 8 percent. Prudent management you take 4 percent and you grow it by 4 percent. The program with that is that the museum has had needs for income, to expand, to open up to the public. So it's difficult to do that.

The Legislature acknowledges that and knows that if the endowment doesn't support the museum to the extent that it needs to be supported, you'd have to close the place and reduce hours and then the whole thing just snowballs downhill. That's the context of which we are in here right now.

Back in August of 2002 the endowment was \$17.5 million, which was the high point. Since that time, it's dropped about \$7.2 million but at the same time it's provided the museum with \$10 million. So it's done well. We had some good times. The problem is now we're down to a value of \$10.2 million, in that neighborhood. We have talked to investment counsel, and they are going to be addressing the Parks Committee next month in October. We're going to try to come up with an objective plan to address the long-term needs of the endowment and try to help the museum where we are.

That's kind of an overview of where we are with the endowment. The Legislature has fiduciary responsibility for the endowment. They make the decisions considering the endowment.

In addition, Suffolk County Government provides for capital projects. The General Fund pays for all the debt service and principle for all the projects that have been done here. Over the year, I guess it's safe to say that there has been about \$20 million worth of projects. It's an ongoing program to upgrade this place. Those of you who have been here a long time have seen vast improvements and conditions in the programs. The Museum has really made some great strides. We're trying to support the museum in those efforts.

The Legislature is going to try to look for possible other revenue streams for the museum. I don't think it will replace what we need to do with the endowment. The value of the endowment at this point really can't sustain \$1.2 million a year, obviously. The prudent guess would be somewhere at \$400,000 or \$500,000. That would be devastating to the museum. They could not function if they lost \$700,000 a year in revenue from the endowment. So we're really at the crossroads. I know we'll be working with the museum. The Legislature will be working with the museum to try to come up with a plan for the long-term health of the museum.

DR. GITTELMAN:

Lance, I know that your office goes through our budget, the budget that we submit in excruciating detail.

MR. REINHEIMER:

Yes. We go through your budget and everyone else's.

DR. GITTELMAN:

It's interesting because you're a respected advisor but you also have gotten very deep into our operations.

MR. REINHEIMER:

Yes.

DR. GITTELMAN:

From a financial side.

MR. REINHEIMER:

Yes.

DR. GITTELMAN:

Is there some suggestion or someplace where you see that we could make a cut?

MR. REINHEIMER:

As far as your budget goes, you have been cutting staff over the years. You have eliminated positions. You adjust your staff each year based on your current revenue and the current financial health of the museum. The museum really has pared down as much as they can, that we can see in the budget. You have a lot of vacant positions that you can't fill because you just don't have the funds for them. That's difficult because it's hard for you to maintain your programs.

DR. GITTELMAN:

So there is no fix.

MR. REINHEIMER:

There's no easy fix. As far as the endowment goes, the endowment right now also, going back to that, is 50 percent equities, 50 percent bonds, cash. When I spoke to investment advisors over the past couple of weeks, they would like to be a little bit more aggressive, like you had mentioned before, to try to grow the principle and possibly have some better revenue streams in the future. That doesn't help us today. That's the hard part, trying to get through today and try to take care of future generations.

DR. GITTELMAN:

The hard part about this is if there are no cuts that we can make, then it has to be on the revenue side. We either have to come up with additional revenue sources or –

MR. REINHEIMER:

A combination of both. I don't know where you can cut, but I know your budget is very lean in terms of your expenses. You have a lot of expenses that you have no control over, utilities and whatnot. You have made some upgrades

there, converted to gas, which has helped you, upgraded your furnaces. I know you've made some improvements on the utilities side, but there are a lot of fixed costs that you have that you can't cut.

DR. GITTELMAN:

If we were to cut, for example, there are certain necessities that we're either going to have to keep even if we close the doors.

MR. REINHEIMER:

Correct.

DR. GITTELMAN:

So the things that are left would be educational programs. Everything else – we have to heat the building. We have to maintain the buildings. We have to secure the buildings. All that's left would be cutting revenue generating programs.

MR. REINHEIMER:

That's correct. Between the planetarium and the museum, I think your revenue is about \$800,000. Does that sound right, \$600,000 to \$800,000?

DR. GITTELMAN:

Actually I think we run -- we can give you exact figures. You know our finances, and we have the report. We will lay that out for you in a second. Is there any Trustee who wants to ask Lance any questions?

MR. OLIVIERI:

I have a question.

DR. GITTELMAN:

Go ahead.

MR. OLIVIERI:

With respect to the possible future revenue, we have some issues with the noise, but we've always been pushing for the waterfront project. I want to ask what your opinion is if we could get that kind of funding to get that airplane hangar finally on line. Maybe we could get a full catering restaurant facility going, which would definitely put money into this museum. In your opinion, will that help alleviate a lot of the problems that we have?

MR. REINHEIMER:

Well, the seaplane hangar has limitations. In our opinion and in talking to Public Works, it's difficult to have large groups because of the logistics of getting people down there and also sanitation in terms of pumping sanitation uphill. It's hard to say how much developing that would provide you but probably a significant revenue stream. I know you were looking for exhibitions and things like that, but I think to develop that as a larger outside catering facility event location would be difficult with large groups of people. You would have trouble getting them down there and also, as I said, the sanitation is somewhat restricted because of its location.

DR. GITTELMAN:

That was a relatively recent disclosure.

MR. REINHEIMER:

We always had concerns about the site location and the access to it. I know from years ago, we do go out in the field, and that was the concern to us, the upgrade for sewage. It's difficult.

MR. OLIVIERI:

It's a capital expenditure then and it's a one-time cost of putting together a plan to deal with that one issue. As far as moving people down there, there are always other options, more gold carts. Once you do that, then you're in the ability to run like Eisenhower Park, the Bethpage State Park facilities, where they make a phenomenal amount of money off of their catering and restaurant facilities.

MR. REINHEIMER:

I can't address the engineering in terms of what they can do as far as the sewage goes. I just know that that's been a concern. How much it would cost, cost benefit, that would have to be an engineering study. I'm not prepared to, obviously, answer that.

DR. GITTELMAN:

Certainly if the revenues that had – if we had the boardwalk and if we had the seaplane hangar and the boathouse, we probably would have more admission revenue.

MR. REINHEIMER:

Sure, the more attractions you have, the more revenue you would have, I assume. Then it's coupled with available hours. That's the delicate balance. You need staff to be open and you need revenue to support your staff. It takes time to develop revenue. I know the Vanderbilt over the years in talking about site use is something that has been developed over the years with some success and a lot of not successes. It's been difficult to develop site use. The museum is looking for many avenues to increase revenue, not just site use. That's just one area. You've been trying to diversify the revenue streams.

DR. GITTELMAN:

Anything else? Vivian, did you want to add anything?

LEGISLATOR VILORIA-FISHER:

We talked about looking at the motel/hotel tax. We don't know how they are going to come in this year because it's really a difficult economy. That's another pie that has to be cut up in many different ways, but if we can see any kind of monies available there we can try to tap into that to help with the revenue stream for the Vanderbilt. We will be looking at that very carefully because we need to see if you will be sustainable.

MR. REINHEIMER:

Right, and just because I'm a bean counter, there are restrictions on the hotel/motel tax. By law there are certain categories; there are certain pots that that money is split up by percentage. A significant percent goes to the Parks Department. Some goes to economic development. Some of it is used for the promotion of tourism. A significant part is used for tourism. When we looked into that pot, it's not massive. Plus the hotel/motel tax, surprisingly in Suffolk County, is such a bargain. It's .75 percent. It's less than one percent. If you go

to other places in the country or New York City it's 18 percent for hotel tax. It's a small pot. By statute it has to be divided to certain pots, so there is not a lot for the Vanderbilt. I talked to Legislator Vilorio-Fisher before the meeting and said it really depends on how much of a fund balance there is and what can be done if there are additional funds that we didn't anticipate. Then it's also policy of the Legislature, they have a lot of demands and other cultural activities and non-profit museums that are in the same boat.

That's the problem, too. I was talking to one of the people from the Vanderbilt today, and you're not alone. What's happening here is, obviously, not unique to you in terms of the endowment and trying to secure money for educational programs and cultural programs. It's difficult.

DR. GITTELMAN:

Lance, let's do the thing we're not supposed to do. Let's talk about some draconian possibilities. In the next six or eight weeks before the cycle ends, I think I'm going to have to try to find a sponsor to continue the endowment because I don't know that we have a plan in place that will accommodate – if we don't have a renewal of the income from the endowment, then we get only the interest and income, and that might be \$200,000 or \$300,000 based on how the endowment is currently structured. Clearly, with \$1 million cut in our income, we're out of business. I have to put in a resolution. I don't see myself as having a choice. Of course, the Board can tell me no, and that will be that. The Legislature gets the final no.

So let's say for the moment that we don't have a choice, and I put in a resolution for \$1.2 million because I feel I have to. And let's just say that we have no crystal ball here but the armageddon has stopped and today was the last big drop in the stock market, but we know one thing by this. We have \$8.2 million, and we're taking \$1.2 million out, we have \$10.2 million, and there's \$2 million. It sounds like two and a half years, three years we're out of money.

MR. REINHEIMER:

Yes, we've looked at that scenario. About a month ago, assuming that you had 8 percent return and assuming that the market turned around a month ago, I don't remember the exact date, but it's down the road that you would hit the \$8.2 million corpus of the fund and revenue would stop.

That's the problem that we're dealing with, to look at this long term to protect future generations, so there is a revenue stream so that the museum can grow in the future and try to get you through today. It just doesn't work. You would eventually dry up the endowment, and then you're short \$1.2 million. We have gone too far down in order to be able to sustain a \$1.2 million distribution annually and under ideal market conditions where you're getting an 8 percent long-term return -- and that's also increasing your equities up past 60 percent. As you know, you're in bonds or income, you don't go to the equity as much. There is one way to grow equity and that's usually through stocks. We're in for a difficult time.

I would have to say, and we work independent of the Legislature and just from what I know in doing this for 12 years, that you couldn't support a \$1.2 million distribution. It wouldn't be wise to continue that. Yet we also would say that it's devastating to the museum that you can't exist without it.

DR. GITTELMAN:

It's a catch 22.

MR. REINHEIMER:

Yes, and that's the tough part. I want you to know that we understand the position the Vanderbilt is in, but we also have a fiduciary responsibility to the endowment. The Legislature's job is to protect the endowment. The other side, your job, is to run the museum. That's perspective.

MR. OLIVIERI:

You say you want to protect the endowment, but when the endowment becomes the all important bottom line number, then the institution stops servicing – how many children come through here a year, 70,000? How many people come through here every year? If we have to shut down – we also have artifacts that we have to preserve. That's not cheap either. It's environmental. We have issues with the artifacts that we have to have the temperature at the right setting and have things in the proper environment so they can be preserved. What are we talking about here? If we don't have some type of monetary infusion, we're going to have those issues where it just shuts down, it stops. We have to heat these buildings.

MR. REINHEIMER:

I understand that.

MR. OLIVIERI:

Where are you suggesting we go?

MR. REINHEIMER:

At this point –

LEGISLATOR VILORIA-FISHER:

May I just – Lance's position, as our professional at the Budget Review Office, serves in a professional capacity advising the Legislature as to the fiscal issues. They are not the policy makers. What you are asking him to do now is to state policy, and that's not really the purview of the Budget Review Office.

What we have to do now that we have these numbers, and that's the job that Lance and the Budget Review Office does so well, is they have presented us with the numbers. They have presented us with the dire circumstances under which we find ourselves. Don't forget we are looking at a County that is looking to sell our John J. Foley Nursing Home. There is a reason why the County Executive is looking at that, and the Legislature is looking at a different policy perspective on that. These are very difficult times.

Budget Review presents us with the numbers. You, as a Board, have to look at what you want to present to the Legislature. Then the Legislature, in our fiscal and fiduciary responsibility, has to make the policy decisions based on what we see as the sustainable reality of how this Vanderbilt Museum has run and will be able to sustain itself in the future. But that's a policy decision, so I don't want Lance to have to be put in a position of trying to answer policy decisions. That's on our shoulders.

MR. OLIVIERI:

I apologize if I put him on the spot. He's a very smart, accomplished professional. I was hoping that he would have more suggestions. We respect his opinion. He knows what he's doing. As he likes to phrase, he's a bean counter. But bean counters in their own unique way have a lot of unique solutions sometimes that solve the problems. They have an understanding of the finances.

LEGISLATOR VILORIA-FISHER:

What happens is that we are in a public forum, and the Budget Review Office advises the Legislature. The Legislature then sets the policy, rather than Budget Review Office publicly stating what the policy should be. That could become problematic. Certainly I know that Lance has opinions, and I think he has stated them, that protecting the fund is an important issue, but it's up to us now to look at that, chew on it, and see where we can go with it. I wasn't trying to correct you at all. I understood where you were going.

MR. OLIVIERI:

I'm looking for a solution. I'm not worried about politics.

LEGISLATOR VILORIA-FISHER:

So are we all. It's more than politics. It's governance and it's the difference areas that government plays. His position is not a political position. The Budget Review Office serves the entire Legislature no matter what.

MR. OLIVIERI:

But we don't get him every day. We have to take advantage while he's here.

DR. GITTELMAN:

I think some of our passions are showing.

MR. REINHEIMER:

I will come back. It's good to attend these meetings and to meet you face to face. If you have questions, it's good to have a dialogue. It's basically the perspective -- the Legislature has their perspective and their issues, which transcends the whole County. You're a piece of the whole pie.

If we had an easy answer, Legislator Viloría-Fisher would give it to you. We don't have it. That's why we're here today, to really talk to the new members and to talk to the Board and let you know that the day of reckoning is coming. Hard decisions have to be made. With Dr. Gittelman and the Legislature and Budget Review, there will be a healthy dialogue. We have always had a good, healthy dialogue. We'll have the investment adviser at the next meeting. They are going to make a presentation. They have their own perspective on how the endowment should be run. That should be a good meeting. Obviously, everyone is welcome to attend that, too.

DR. GITTELMAN:

We will certainly be there. Is there anything else, Lance?

MR. REINHEIMER:

No, I think I said too much.

DR. GITTELMAN:

No, you didn't say too much. Thank you so much for coming.

There was a plan in place. There are different viewpoints here. If you look at this chart, back in 2001 when things were really good, and it seemed like there was a pretty strong endowment there, that's when we were proposing to build the waterfront. I think that there were quite a few discussions about the asset that the waterfront would provide us. One of the things that the waterfront would have provided us, and I don't want to seem like I'm pandering, I'm just going to say it point blank that weddings, not knowing about the sewage issue at the time, would have been in the seaplane hangar, which probably would not have been as much as a problem.

The waterfront would have generated some revenues. It might have generated visitors coming here because we would have more to offer to the visiting community. We would have had a boardwalk. We would have had the boathouse. This was the vision; this was the dream. Sometimes you have to parade your dreams out, and you have to say, "This is what we had in mind. It might not have come into place, but this is what we saw."

Bill Rogers agreed to donate \$1 million. The Legislature at the time and the County Executive at the time, agreed to build the waterfront. Whether that waterfront included every nuisance that we came back with or whether everybody anticipated the sewage problem, I'm sure we didn't. But we saw the concept of having a boardwalk someplace where, as Lance put it, we could have changing exhibitory.

The idea was, and maybe the new Trustees don't know about the dinosaur exhibit, but we were going to have a dinosaur exhibit there for a while. We were going to move on. We were going to have changing exhibits and the exhibits would have drawn – the Heckscher has changing exhibits all the time. Changing exhibits is another reason to come back to the institution.

If you want to go for a nice walk on the boardwalk at the waterfront at the Vanderbilt, it's a good reason to come up here and go for a walk on the boardwalk at the Vanderbilt. We get admission fees. Would that have amounted to \$200,000 or \$300,000 a year? We're not going to argue about the number, but it would have been something, and we thought quite a bit more than that. It would have been another leg to the table. Had we had \$300,000 a year beginning, say, 2005? Maybe we wouldn't have been as reliant on the \$1.2 million and we wouldn't be as reliant on the \$1.2 million today.

We don't have the waterfront. The money was allocated and never spent. As time goes by, the project drifts further away out of our grasp.

Yes, we asked for a fixed return from the endowment. Yes, we probably could have known that it can't go on forever. But we did have a plan for replacing part of that. It didn't happen. Now, unfortunately, we have to pay the piper. The dream isn't going to happen before the money doesn't.

MS. ANKER:

Can I ask a question? Where is the money right now?

DR. GITTELMAN:

I don't want to put anybody on the spot. I will say that the money is appropriated. It has been appropriated for –

LEGISLATOR VILORIA-FISHER:

The Legislature keeps putting it in the budget.

DR. GITTELMAN:

It was in the budget.

MS. ANKER:

How much money is it?

DR. GITTELMAN:

I would say – Lance, \$4 million for the waterfront?

MR. REINHEIMER:

Including the seaplane hangar?

DR. GITTELMAN:

Seaplane hangar and boardwalk.

MR. REINHEIMER:

I think the seaplane hangar alone was \$2 million, and I'm not sure what was in there for the boathouse waterfront off the top of my head. It was several million dollars.

DR. GITTELMAN:

Am I correct in saying that this was approximately 2001-02?

MR. REINHEIMER:

Yes.

DR. GITTELMAN:

So it's money that's been there, allocated and never spent.

MR. OLIVIERI:

Dr. Gittelman, because we have some new Board Members, can you explain why this was so important because as a museum it's limited in the areas where it could have development, where you could put up new structures or new areas where you can develop areas for income. The waterfront area is the one area that this museum can develop, can put in new improvements to make more money. The mansion itself, we can't touch.

MR. SILLMAN:

Are they also saying that you can't put bathrooms in?

DR. GITTELMAN:

It's not that we can't but – I hate to say this – but it's an uphill fight to remove the stuff. It was something that I'll admit, as a Board President, I didn't do the

engineering on that component. When I went in and asked for the money to take a historic structure and save it – I'm not talking about building something. I'm talking about saving something. There is a seaplane hangar. It's a remarkable structure that has an enormous amount of frontage. It's a historic building, and it should be saved. The money was set aside, not in 2008 dollars, but six or seven years ago when that money was thought by the folks who put together the budget that it was enough money.

MR. SILLMAN:

So that's not today's dollars.

DR. GITTELMAN:

It is now today's dollars, but back then it was the same – in other words, there is no correction for inflation over the span. We had a major contributor. There is an intent to move forward on the project. We sensed the intent, but we don't see the construction. I know Carol is anxious to jump in. This is part of the debate. The reason why it's part of the debate is, one, at this juncture we are to probably assess what the waterfront could yield for us if we had it. The second thing is, is there any chance it's going to happen because it's another source of income. The third thing is, if it does happen, will it happen in time to help us a little bit? In the formula of putting in a proposal, we have to sit down and say, if the obligation, and with all due respect to anyone in the Legislature, we feel like it was an obligation at the time. It keeps getting vetoed. It keeps getting taken out of the budget. Somehow it doesn't happen. Michael.

MR. DELUISE:

To move things forward, we have a lot of guests here, and I'd like to make a suggestion. About 30 years ago I worked with a museum that was having severe financial problems. They had a planetarium that people weren't going to. They had exhibits that were falling apart.

What we did is we went to the neighbors. We went to our local officials and said, "What can we do to make this change?" Over a period of a few years -- it didn't take them 30 years to put it together. That museum turned itself around to be one of the most successful museums in America. It's the American Museum of Natural History.

I would like to suggest that Vivian, Lance and our neighbors work with us to come up with some solutions. We can talk about what the problems are, and it's wonderful, and we can say, "Gee, this is what we really should be doing." Maybe you folks have some other ideas. We need help. We need fundraising help. We need help in our community. We do teach 70,000 school children every year here. This is a place my neighbors, my relatives, my friends when they come to Huntington, this is the place they want to see. I work at a college where this becomes a very important resource for the college. Somehow together, and I think with open arms, we can look at something where when we establish something that's going to work, maybe the sound is something that we address as one of our priorities. So we can work together on that. Let's look at how we can make this as successful as other places have been.

Take a look at Lincoln Center. Has anybody looked at the original movie "West Side Story?" It was the worst section of New York City. The neighbors got together. The local Legislators got together and made it one of the most

successful cultural centers of the world. This is an important place that if we don't work together, nothing is going to happen. We can talk about what our problems are. If there is a sewage problem, let's figure out how to solve it. If there is a problem with bringing in revenue, let's figure out how to solve it, and let's move this forward.

MS. ANKER:

I feel that we need to move forward aggressively. We need an aggressive campaign but in a passive way because of the neighbors. When you say a seaplane hangar, I'm thinking airplanes landing. Is that what you're thinking as far as more issues to have to deal with?

MR. DELUISE:

No.

MS. ANKER:

Again, I'm new here, so I don't want to make waves, but as far as ideas of making it sustainable. I know when I interviewed with the Legislators, the idea of because it's an educational haven, perhaps – because my kids are from Mount Sinai and I think every school district in Suffolk County comes here – provide something for them to want to come. In other words, well, we solved that, okay, we're done, but maybe like you had suggested, continue the programs. Continue something that will bring them back. We are here. As far as public relations, that's where we start the campaign.

Speaking of campaign, maybe we could work with the Office of Tourism to see if there is money or if there are people there that can create a campaign.

I, again, am in Brookhaven Town, and one of the most successful campaigns the town did was the Curby recycling can. That was basically promoting recycling garbage. It was extremely successful, but they had to invest in it. You have to put your flyers out. You have to promote it. Again, maybe that's something you can work with the Legislators on.

I think Mike had a great idea as far as committees or sub committees, fundraising. Do we have that in place?

DR. GITTELMAN:

Yes.

MS. ANKER:

Maybe we could be more aggressive in that in trying to bring more people that are interested in particular ideas. I'm on the Mount Sinai Civic Association for years, and they get a lot done by breaking things up into committees.

Other ideas, and again, let's try to stick with more passive, but to try to gain revenue would be maybe conventions during the day time, which is different than when the children are trying to sleep and they prefer the quiet environment. Maybe we can focus on even senior events, like taking trips to Woodloch Pines. They specifically go after certain groups and cater directly to

those groups. Again, those are just some ideas. I think these are the ideas that I mentioned when I spoke to Vivian and Bill Lindsay.

Again, I know it's tough. The Vanderbilt needs to change, and change is hard sometimes. It's hard to move from a place that has been consistent for so long, but if we can, with assistance by the County and the community, move in a direction that's positive because we're all here for that reason, to create this institution in a positive light.

I'm very excited about being part of the Board. I know it's going to take a lot of energy and time from everybody, but again, if we can start here and then keep it going. I hope everyone in – and the community is motivated with us to contribute ideas – really productive ideas. "I think that looks good. Okay, bye. See you later." I mean to actually come to meetings, come to the Legislature meetings and support those ideas and then to actually engage in those ideas. I think that's what we're going to need. I think that children being involved in education right now, that is a huge attraction, to bring children here. I would think the community would be very open to that – 70,000 children. That's absolutely amazing.

MS. OLDRIN-MONES:

With a tremendous variety of programs.

MS. ANKER:

Again, if we could get ideas from even the professionals. One of the ideas I suggested was a movie night at the museum, where a movie was actually filmed on location at that museum. Maybe we can try to figure out how we can get that attention here. I know it's a fine line to walk because it's right in the middle of a quiet community, but that's where we need you guys to come and help us stay within that almost passive type of path but also again to gain some major revenue. I'm sure we can use the minds of the people here. That's my two cents.

DR. GITTELMAN:

Well, you mentioned tourism. One of the things that we're proud of is that I think there are only two star attractions in Nassau and Suffolk County in the AAA. How many folks pulled out the AAA guide when you considered going to a town or city somewhere else, and you worried where to go? If you pull out the AAA guide for New York and you look on Long Island, you're going to find there are two attractions. One of them is the Suffolk County Vanderbilt Museum. I think the other one is Jones Beach. That's it. I'm not saying that's all there is. I'm just saying that's all that the AAA designates. This is our star. We are here.

I wonder what the tourism value is to this County when someone comes here, stays in a hotel, makes this a destination for the day, comes here and perhaps goes out to the Hamptons. I think we have to look upon it a community asset. I'm sure there are a lot of tax revenue that blows into County coffers because of it. Anything else from anyone?

We will continue with our agenda. I invite you all to stay, please.

LEGISLATOR VILORIA-FISHER:

Steve, can I just say something on a lighter note?

DR. GITTELMAN:

Sure.

LEGISLATOR VILORIA-FISHER:

My phone just rang. My son was calling. After I left the house I thought Ikon is a big convention –

MS. GHIORSI-HART:

Stony Brook.

LEGISLATOR VILORIA-FISHER:

Yes, Stony Brook. So I thought, "Gee, maybe the Vanderbilt could be a good place." He was answering my call, and I said, "What do you think of Ikon at the Vanderbilt?" He said, "Bad idea, Mom." Just so you know, we are all thinking.

DR. GITTELMAN:

Thank you so much for coming.

LEGISLATOR VILORIA-FISHER:

I hope we will see you at the Parks Committee meeting at the Legislature. Thank you.

MS. GHIORSI-HART:

We have had a table at Ikon in the past, our planetarium, when it was more science fiction. It has gone more toward fantasy right now.

DR. GITTELMAN:

Neighbors, please stay. Is there a public relations report?

MS. GHIORSI-HART:

Just really quickly because I know we have a lot going on. We have had some wonderful articles in *Newsday* the last few months. Every two weeks we have had some really nice placement, whether it's about our mansion or one of our planetarium shows. We had a nice little piece of how the Beatles laser show was going to be ending and that weekend we had sold-out crowds. We have been doing well. We had a very nice media event with the opening of our whale-shark exhibit, but I will wait to discuss that a little bit later.

DR. GITTELMAN:

Finance Committee.

MR. DELUISE:

I'm going to ask Michael, our accountant, to come up in a second just to explain a few things. There are new Trustees here now. We have put together a very realistic budget. I talked to Lance before, you can realize that what we're doing here is really trying to be realistic. If you look at our numbers, you might say, "Gee, things are doing better than they were." We're doing well because mother nature has been good to us. By the end of the year, we'll probably just be even. We're not doing pie in the sky budgets. Michael, if you could explain a little bit about what we're doing so everybody here can understand where we are financially.

MR. IADEVAIA:

My name is Michael Iadavaia. I'm an accountant, CPA, and I consultant the Vanderbilt on financial issues and with their budgets.

What we do is we have a Treasurer's Report, which we try to project going out to the end of the year what the Vanderbilt is going to make for the year. Supposedly, this year has been a good year, as far as income coming in and going out. That's considering that we received \$1.2 million. Without the \$1.2 million we would be in a deficit. There is no doubt about it. If we only had \$400,000 of income, as Budget Review had said, we would have to probably close the doors. We just couldn't sustain the museum.

What happened over the prior years was that we actually lost money. Our fund balance was in a deficit of about \$300,000. This year, even though we're showing a profit and we're projecting a profit going to the end of the year, a lot of that money actually went to pay prior payables. Our payables were very, very high. They were over \$300,000, which was historically high for this museum.

This year, as of August, our payables went down to \$211,000, which is very good. So even though on the Treasurer's Report we're showing a profit, a lot of it went to pay prior years where we didn't have profits. I don't know if anybody has any questions on the Treasurer's Report.

DR. GITTELMAN:

So you're saying that at this juncture, you have a surplus.

MR. IADEVAIA:

As of July, we have a surplus.

DR. GITTELMAN:

But we don't expect that to be sustained until the end of the year.

MR. DELUISE:

Attendance in November and December goes down, and September when the schools start, attendance goes down. We're looking at this, as I said, as a realistic budget. Michael, stop me if I'm wrong. We're looking to break even at the end of the year.

MR. IADEVAIA:

Yes, this is a realistic budget. This doesn't include the \$67,000, which is grant expenses, which we actually get money for certain grants, but it has to be spent for that specific purpose.

DR. GITTELMAN:

Yes, Tony.

DR. PECORALE:

Would it be possible for you to – I see you doing the monthly differences – would it be possible to do a third line so that we see where we are up to that point?

MR. IADEVAIA:

Year-to-date, you mean?

DR. PECORALE:

Yes.

MR. IADEVAIA:

Yes, I can put in a separate line where it will say from January to August or January to September, whatever month we're in, what our profit and loss is.

DR. PECORALE:

I actually did it, but we could calculate where we are to this point.

MR. IADEVAIA:

Yes, exactly. If you just total the –

DR. PECORALE:

Yes, the negatives and the positives.

MR. IADEVAIA:

Yes, the negatives and the positives through July, more or less, that's where we're at. The numbers are unaudited, but that's more or less – the auditors come in at the end of the year. There are certain adjustments that get made based on their audits, when we take inventory –

DR. PECORALE:

I understand that, but that will give us a perspective as to current situations.

MR. IADEVAIA:

Yes, more or less it should be in the book, our current situation.

DR. PECORALE:

Thank you.

MR. IADEVAIA:

I mean, we're in the right direction, but still even if the museum ends up making \$100,000, it's not going to be your answer to if the endowment goes down to \$400,000 or \$500,000 a year. We're still going to be in a huge deficit. If we do get the \$1.2 million for next year, that gives us some time to work on certain solutions. We're still not below the \$8.2 million. That could be an option. Then at that point, it will give us some time and maybe we could resolve the issue. Just like AIG got a loan from the Federal Government. They are buying time; that's what they're doing.

MR. D'ORAZIO:

Is it safe to say that even if we do run a slight surplus this year on our current budget, we will still have payables that have to be caught up?

MR. IADEVAIA:

Correct. We always have payables, but historically we don't have \$300,000 or more. It's always been around \$200,000 something. We've gotten back down to that. We had something like \$300,000 something in payables. Most of this money that was surplus went to the payables in prior years, which we had

losses. Even though you have a surplus of \$100,000, you don't have that money. We just might have \$30,000 in the bank account because we had to pay back money for prior years, which we had losses.

One of the big revenues for this year that puts us in a surplus is our site use, rentals. That's been very successful. It's been said that that was an ongoing project and we finally got to the point where we're making money on that. Now we have to turn to the neighbors and hopefully deal with the noise issue because that's one area that helped us get out of the hole with some of the payables.

DR. GITTELMAN:

As our accountant, do you see any area that we might cut our expenses?

MR. IADEVAIA:

We went through that issue. The only area would be to cut educational programs, but those are revenue generators. Staff – there is hardly anybody in the accounting department. We have an Interim Director. We're low on staff. We made a switch with the security. We had a lot of part-timers. Now we have the security – we outsourced it to save some money. There is really nothing on the expense side that we – unless we just eliminate all programs and anybody that comes here just pays an admission fee, but that's not the purpose of Mr. Vanderbilt.

MS. ANKER:

But what is the number of staff here at the Vanderbilt?

MR. IADEVAIA:

Barbara does the payroll –

MS. OSTER:

Sixty-five employees, about 15 full-time –

DR. GITTELMAN:

Okay, I would prefer that this not be handled in this fashion. Sarah, is it okay if I give you an itemized list of the staff here?

MS. ANKER:

Sure. Can I ask more questions?

DR. GITTELMAN:

There is an itemized list of staff in your packet. So in your packet there is a list of staff. That might be your answer.

MS. LEBOW:

Steve, might we table that discussion for the next meeting, since we have such a long agenda tonight?

DR. GITTELMAN:

Yes.

MS. ANKER:

But I just have one question pertaining to – what's considered professional services?

DR. GITTELMAN:

Professional services, like lawyers –

MS. GHIORSI-HART:

Actually our biggest expense is our security. It also includes repairmen, contracts for security systems, HVAC system, anybody other than staff that comes here to work. It's a fairly broad category.

MR. IADEVAIA:

But pretty much half of it is the security.

MS. GHIORSI-HART:

More than half is security.

MS. ANKER:

And that was originally part of the staff.

MR. IADEVAIA:

Right, that was staff so in order to cut expenses, it was more feasible to outsource it than have staff where you have to pay health benefits and all the things that go with staff.

DR. GITTELMAN:

Anything else in Finance?

MR. DELUISE:

Thank you, Michael.

MR. IADEVAIA:

You're welcome.

DR. GITTELMAN:

Audit Committee.

MR. OLIVIERI:

We have another little frustrating report, unfortunately. We didn't get a full draft. It was omitted from the accountants, the footnotes, which would have made the Audit Report more complete, so we could have had an intelligent evaluation of what they gave us. We have to table this for one more month until the next meeting, until we get the full draft report so we can look at it and make a recommendation.

DR. GITTELMAN:

Yes, Tony.

DR. PECORALE:

Is it true that they are now agreeing with us?

MR. OLIVIERI:

Yes, they have agreed with us. After the County Attorney gave them a nice opinion letter, they finally listened to everybody who is involved with this. But we do need the footnotes to actually see it in black and white.

DR. GITTELMAN:

Buildings and grounds.

MS. GHIORSI-HART:

Again, we'll just quickly go through this. While there is a lot of frustration here getting our capital projects going, there are 15 capital projects. We do have a lot of hope. I meet weekly with Jim Ingenito, our liaison with DPW. I do believe this spring we will actually see the beginning of construction on the boardwalk connecting the boathouse to the seaplane hangar. I do believe we will see the beginning of construction on stabilizing the seaplane hangar. Because the waterfront projects took eight years or so to actually get to the construction point, the scope of work is severely limited compared to what we had hoped to do eight years ago. We were hoping and are still hoping for more funding. But I do think we will be seeing, by this time next year, a boardwalk. That's on the positive side.

I just want all our Trustees to be aware that the boathouse in June was officially, by DPW – they came in and said no one can inhabit or go into the boathouse anymore. They were working on a capital project to restore the boathouse. The structural damage was much more severe than they had anticipated. They ran out of funding. They do have some steel beams down there. They have other things waiting to go. There is just no money left to shore up the building and do what they need to do.

I have been in discussions with DPW looking at what other funding we might be able to use to offset that expense. We will be putting in a resolution to move some money from one of our other important projects or two to do this emergency boathouse project.

DR. GITTELMAN:

Tony.

DR. PECORALE:

That is a major issue. The boathouse has to be repaired and has to be put back in operation.

MS. GHIORSI-HART:

I've prepared a resolution. It should be before you within the next month. Hopefully, it will be at the next meeting.

DR. PECORALE:

I understand about the seaplane hangar. I understand about the boardwalk, but the boathouse is a major key to the history of the Vanderbilt.

MS. GHIORSI-HART:

As is the seaplane hangar.

MR. D'ORAZIO:

They all fall within our vision to have them restored. It is imperative to at least get them –

MS. GHIORSI-HART:

Yes.

MR. OLIVIERI:

Do you have any choice in whether we pick getting the airplane hangar done first as opposed to the boathouse?

DR. GITTELMAN:

Basically, the boathouse project was funded many years ago, and it was supposed to carry us through to having a restored boathouse. But it didn't.

MR. OLIVIERI:

I was just –

DR. GITTELMAN:

And it went first. Now we're at second. But first this isn't finished.

MR. OLIVIERI:

Do you need first as opposed to second?

DR. GITTELMAN:

We don't get an opportunity to move funds around. Typically, if you do, you lose it.

MS. ANKER:

Can I ask a quick question regarding the funding?

DR. GITTELMAN:

Yes, Sarah?

MS. ANKER:

I'll be quick. What is the main reason why it didn't progress from 2001? Is there something – I know we have the sewage issue, but can you tell me later? I'm just trying to get the details of –

DR. GITTELMAN:

No, it's okay. Sometimes you get put on the spot, fine. It didn't progress because the Legislature seemed to have a will to move it forward and for some reason

MS. ANKER:

But that's per the Legislature, right?

DR. GITTELMAN:

No, the Legislature does not control when funds are spent. The County Executive does.

MS. ANKER:

Well, we'll have to have Steve take a little tour and get him motivated.

DR. GITTELMAN:

I think that would be grand.

MS. ANKER:

I'm serious.

DR. GITTELMAN:

I'm serious, too.

MS. ANKER:

Okay, just let me know when and I'll help you.

DR. GITTELMAN:

That was Buildings and Grounds. Anything else?

Pardon my omission, but there is no Gala Committee Report on the agenda, but I would like to inject that now, if that's okay, David.

MR. D'ORAZIO:

Sure. I think by now all the Trustees know that we have decided to move the annual gala into the courtyard, and rename it the 100th Anniversary of the Vanderbilt Motor Parkway on Friday, October 3, at 6:30 P.M. It will be the centennial celebration with cocktails in the courtyard. We have changed it up a little bit. There will not be any loud band, but there will be an orchestra, the Lou Picardi Orchestra playing. It's more of a formal – hors d'oeuvres cocktail party directly in the courtyard. It seems more appropriate to tie this in with the entire month's events than to have it after all the events. That's why we're having it on the 3rd. Then we're also having the antique car show on the 5th in celebration of the 100th anniversary.

Additionally, on October 25th we're having the Vanderbilt Museum Willie's 130th birthday. We are going to celebrate the entire month.

Everything is going well. We have gotten several sponsorships. Apparently, we are well ahead of the mark this year. We already know what our expenses are for the year for this event, and we are past the expenses. So that's a great note. I encourage every member of the Board – if you haven't gotten an email with the printed invitation that you can print out, talk to Carol, and she will get you some invitations immediately. The tickets are much cheaper this year than they were last year.

MR. OLIVIERI:

What does a table cost this year?

MR. D'ORAZIO:

\$600.

MR. OLIVIERI:

That's a bargain.

MS. GHIORSI-HART:

It's only \$75 a ticket.

MR. D'ORAZIO:

We anticipate a really nice event. People are very interested because we made the price a little lower this year. The people that are tied into this whole celebration and the economy being what it is, we thought it would be more prudent to go this route with it. If you want to reserve an entire table, it will be \$600, but the tickets are \$75 apiece.

DR. GITTELMAN:

In support of the event, the Bank of America has agreed to \$17,500 total commitment for the year. In addition to that, also tied into the event targeted toward the audio equipment that we have been so long pursuing, Bill Rogers has presented us with a check for \$30,000.

MR. OLIVIERI:

Thanks, Bill.

MS. OLDRIN-MONES:

Thank you, Bill.

MR. D'ORAZIO:

We don't want to forget about the Empire State Carpenter's Association who contributed \$5,000 toward the event also.

DR. GITTELMAN:

Certainly the event is off to a good start. In light of that, we have also negotiated with the vendor on the audio equipment. One of the issues that came up last time was the question of how much the up-front deposit would be. They wanted 50 percent, and we're telling them 25 percent and that's it. That's where we stand. We did not get an agreement out of them yet. We will go into contract with them, but that will be one of the negotiating points. Thank you very much. Any questions?

Education and Exhibits.

MS. OLDRIN-MONES:

There has already been a lot of talk about the Education Program and how they service over 70,000 students. I'll try to make this as brief as possible.

This is a very busy time of year for education and exhibits. In addition to booking programs and preparing for school groups, staff has been completing their move into the refurbished education building.

The 2008-2009 brochure – it's like this but even nicer – is out. You can download it. It's on our website. You can go to the Educational Programs, click on it and download it. If you download it and look at the front, you see there is an icon that announces that 2009 is the International Year of Astronomy. Throughout the year, worldwide activities are planned, and we will be participating in many of them.

One hundred hours of astronomy is one of the planned events. This is a 100 hour around the globe event, including live webcasts from research observatories, public observing events and other activities. One of the key goals is to allow as many people as possible to look through a telescope as Galileo first did 400 years ago. The 100 hours of astronomy will take place on April 2nd to the 5th, and we will participate in the sidewalk observing event and will be assisted by the Astronomy Club of Long Island.

Around the world special stamps will be created in celebration of the International Year of Astronomy. Our post office will let Lorraine know if there are any astronomy theme postage stamps for the next year, but we could do an unveiling here at the Vanderbilt Planetarium. Those of you who have been here a while remember that this was done in the past.

We will be involved in two educational programs, one is the Galileo Teacher Training Program and the second is the Universe Awareness Program. The Universe Awareness Program is an international program that exposes very young children in under-privileged environments to the universe. The Galileo Teaching Training Program will have Galileo teachers train other teachers in the effective use and transfer of astronomy educational tools and resources into classroom science curricula.

There will be a Sun-Earth Day Event held around March 21 with the theme of "Our Sun, Yours to Discover." Again, the Astronomy Club will be available during the day with telescopes for the students.

Hopefully our telescope will be in working order soon. It had to be sent out again to correct the same problem, which was a defective drive base gear.

Our laser programs are doing well. The "Our Night Out" program continues to be a shining star. Lorraine and Dave are putting together a special Halloween program that will encourage audience participation and is loaded with special effects. I don't think I'm giving away any secrets by telling you that Lorraine will be dressed as Einstein. She will be having some very scary hair. There will be a dramatic change in her outfit because usually on the Sunday night program she wears a bathrobe, slippers and carries a stuffed animal. The "Halloween Night Out" program is October 26 and promises to be fun for everyone, especially the little ones.

Other seasonal preparations are also underway. Dave is reinstalling "Haunted Skies" for October. After Halloween is over, he will install his new show, "One Small Step," which as you can tell is about the moon. There will also be a Halloween Laser Marathon where people come in costume to enjoy the shows.

Of course, the biggest news is the reopening of the whale-shark to the public. Publicity by *Newsday* -- which if you haven't seen, I will pass it around. We had publicity by *Newsday*, Channel 12, and local newspapers, which resulted in record crowds for the opening weekend. I'll pass around the *Newsday* article and the *Village Times Herald* also. That shows a group of our students who had just taken a summer class. They were also interviewed. There is a very nice article in this newspaper called *The Observer*. It's a two-page article.

Progress continues in the habitat. The room has been professionally cleaned. The railing has been installed, and several specimens have been restored. Thanks to Stephanie, she was able to get our marine iguanas restored free of charge because she allowed them to use the iguanas to cast models for the Museum of Natural History. As the restoration continues to its conclusion, the room is open and is looking good.

Finally, congratulations and best wishes to Dave Bush who was married August 29. Dave is our talented Tech and Production Coordinator who resourcefully keeps our planetarium functioning and creates exciting new programs. That is the end of the report.

DR. GITTELMAN:

Any questions?

MR. OLIVIERI:

I just want to say, Gretchen, you do an exceptional job. She always does.

DR. GITTELMAN:

Yes, she does.

MS. GHIORSI-HART:

And you have such wonderful food at your committee meetings. It's a good reason for all you Trustees to join this committee. There's always a nice spread.

DR. GITTELMAN:

Nominating Committee. Let me explain the Nominating Committee. The Nominating Committee makes recommendations to the Board of Trustees usually at the November meeting. So it would be two meetings from now – depending on how we schedule – it will be at the November meeting. The nominations are not binding. We usually try to appoint an uneven number of Trustees on the Nominating Committee, just so there will not be a tie. Anyone can serve. They nominate a slate, and then in January when you vote on the slate, anyone can be nominated from the floor by any Trustee. That's been the process. It's in our bylaws. That's the way we handle it. Can I have a nomination for someone to serve on the Nominating Committee? I would like three or five members.

MR. OLIVIERI:

Volunteers?

DR. GITTELMAN:

Either volunteers or nominate someone who you think should serve.

MR. OLIVIERI:

I'll volunteer.

MR. SWINSON:

Me, too.

MR. D'ORAZIO:

I'll volunteer.

MS. ANKER:

What exactly does a Nominating Committee do?

DR. GITTELMAN:

Pick the officers for next year.

MR. OLIVIERI:

Recommend them.

DR. GITTELMAN:

Yes, recommend them. I'm sorry. Thank you for that correction. I did that so well until I said that. We have three. Can I have a motion to close?

DR. PECORALE:

Motion to close.

MR D'ORAZIO:

Second.

DR. GITTELMAN:

I have a motion and a second. All in favor? Opposed? **(Vote: 12/0/0/3 Absent: Ms. Gicas & Mr. Macchione. One vacant position.)** If you folks would report in November, I would appreciate it.

The Interim Director's Report. But before I allow Carol to make her report, I would like to ask for a motion to form – actually, I don't need a motion. I would like to form a committee to –

DR. PECORALE:

You have the authority to form a committee.

DR. GITTELMAN:

That's right. I would like to form a committee to review the Interim Director's progress and make recommendations as to whether or not how we view her –

DR. PECORALE:

Make recommendations.

DR GITTELMAN:

Okay. Can I have volunteers for that? Michael?

DR. PECORALE:

Why don't you pick the people you want to be on it? You can form the committee.

DR. GITTELMAN:

Sometimes they just form themselves. They raised their hands. So I know have Michael.

MR. OLIVIERI:

I'll do it also.

MS. OLDRIN-MONES:

I'll volunteer.

MR. SILLMAN:

Okay, I'll –

DR. GITTELMAN:

Okay, Noel said yes. That would be great. New Trustees are invited. Four members is good. The task is as has been stated. If you have any questions, just give me a call.

Now the Interim Director's Report.

MS. LEBOW:

Are you appointing someone to Chair that committee? Of the volunteers, are you naming one of them as the Chair of that committee?

DR. GITTELMAN:

Michael.

MS. LEBOW:

It should have a Chair.

DR. GITTELMAN:

It does now.

MS. GHIORSI-HART:

It's late so I don't want to go into too much depth. It's been a wonderful summer here, a challenging summer. We have had some incredible highs. The reopening of our whale-shark habitat room after ten years certainly ranks up there.

Stephanie Gress, who unfortunately just left, was really a major force behind that. It's something we waited a long time for. Steve talks about our vision and certainly the vision of having all our exhibit spaces and buildings open is very high up there. That was a wonderful day. We got a big boost in attendance from that.

Our numbers this year have been terrific. This summer we have benefited from the fact that people are not traveling to Colorado, or Vermont or Florida. They have been coming to the Vanderbilt, and that's wonderful.

We, again, have had some challenges with the storms that we have had with dealing with different issues of buildings, grounds, site use complications, but the staff has worked phenomenally.

As I was running out the door for a meeting looking at my bookshelf, I have this wonderful book on museum administration. On the cover there is a man, and many of you may remember the Ed Sullivan Show where they went around spinning those plates. Well, that's what it's sort of like to be a Director. At this institution, though, I have wonderful people helping me keeping those plates going. If one should happen to drop off, they're there to catch it. I'm including some of the full-time staff that is here.

I just want to point out that Barbara Oster is our bookkeeper, and yet she completely ran our special event, our Alex Torres concert this summer. She did the PR. She did the mailing. She was on the phone. She got sponsorships for the event. She was cleaning. She was selling wine. She was dancing at the event. That was just one of the things I wanted to share. People are always stepping outside of the box because they have to. We need the help, and they love the museum. They have a passion for it.

Jana Folger, who is sitting behind her, is our Human Resource person. Believe me, anything that has to do with people – she's handling not just personnel issues but our paperwork having to do with safety and insurance and going over schedules, again, helping to serve at special events, cleaning, or whatever I needed her to do. She's great with Excel sheets. She is there when we need her.

Peter Newman, our Restoration Specialist Supervisor, has just done wonderful work on our buildings. We have caught up with a lot of the maintenance that had been deferred, in addition to just jumping in wherever he is needed.

Lorraine Vernola and Dave Bush, from our planetarium, have dressed up in their pajamas when necessary. They are here in the middle of the night when there is a need, as is Peter who often comes in when there is an SOS.

We have an incredible staff, again, the passion that comes from the top from our President and from many of you here. Many of the Trustees are there helping with those plates. We meet at all different hours to sign checks, like Michael does. We're on the phone. Dan and Dave have been helping and coming out here when I say, "They might close us down if the music is too loud. Help." They're here trying to help. Gretchen is here whenever I need her. Tony will come up with anything – if we say we need paper or a copier, he shows up on the doorstep with whatever we need. Bill Rogers, whenever we need a check or some advice, he's always there. He's a very astute businessman. He is always there for us, as well. We are having some auctions soon, and everyone helps with that. It's making a difference. Those of you who have been here over the last couple of years, you can see that we are making a difference with our bottom line. We have to hang in there. The staff, I keep telling you that a year from now we are going to have our projector, our new full-dome video. It will be a different world here. We have to keep hanging in there and keep pushing to get to that point.

The waterfront, at least the start of it, I believe we will see construction next year. Again the passion that Steve feels, it's that biggest plate in the middle dealing with the Legislature knowing and understanding how that works. Again, he's always there at the end of the phone when I need him. It makes a big difference.

We have a lot of hope. We are starting to get a lot of support. You might have noticed in the June report that we have a \$25,000 donation. That's from Arrow. Two years ago, they sponsored a holiday open house. They are doing that again. They were so happy with the response. Between Christmas and New Years anyone who wants to come will be able to come through our mansion free of charge, thanks to Arrow Electronics.

We will be selling planetarium tickets here, and we actually did very well that week. It's a wonderful win-win situation for everyone. In the tradition of New Years open houses, we are very excited and thankful to Arrow for that support.

We talked a little bit about tourism. We have been working this month on that. Stephanie has been helping out with the New York State Heritage Group, who is doing a survey. They picked us as one of the institutions on Long Island to survey to find out who is coming here and why they are coming here. It's a tourism kind of piece that hopefully we'll be able to use again to maybe show that we know our people. The people on the grounds know that we get people from all over the world, especially in the summer, who make a point of coming here. They are going to restaurants in Northport and elsewhere and visiting other sites. We are trying to quantify that a little bit more. That was exciting.

On Friday, the Travel Channel was here. Stephanie and I went around and spent four hours with them. They are going to be doing a four to five minute piece. They are doing gold coast mansion kind of stories, so we will be part of that story. That day was raining, so they came back this morning. They said they would just take a few pictures, but once you get here, you can't help but climbing every roof and getting beautiful pictures. It's wonderful for me to, again, see the enthusiasm of visitors who come here. For people who this is their livelihoods photographing beautiful places, this place is special.

It's an exciting place. Sometimes we lose site of that when we stay in our offices or even if you stay in here. Steve is here every Sunday from May through September as John the Gardener. He gets that feedback. So I especially invite our new Trustees to come and visit. We will certainly be giving you a tour of the property, but you can just listen in, hang out and hear the feedback from our visitors because it's a very exciting feeling. It's what keeps us going. We look forward to facing all these new challenges. That's it.

DR. GITTELMAN:

Okay, wonderful. Any questions?

MS. ANKER:

Do you have a volunteer staff in addition to your working staff to help?

MS. GHIORSI-HART:

We have some volunteers. We have a very active volunteer gardener's staff. All the gardening is done by our master gardeners, who volunteer. They do a spectacular job. We have other volunteers in key places. That's an area we would like to build. We could do more.

DR. GITTELMAN:

Okay, it's my turn. I want to appoint two committees. I'd like to have a committee formed to review our relationship with the neighbors. I feel that we can't do all of this as an open board, so it would be good if we could get some recommendations and review some of the suggestions they made. Who might be willing to serve on that committee?

MR. D'ORAZIO:

I'd be happy to be on that.

MS. LEBOW:

Yes, I'll also be on that committee.

MR. SWINSON:

Me, too.

DR. GITTELMAN:

That would be great. I need a second committee formed. This is just temporarily, but I want to bring back the Personnel Committee, if I could, for reasons of reviewing staff compensation. Can I have the Treasurer on that committee?

MR. DELUISE:

Sure.

DR. GITTELMAN:

Gretchen and one other person.

MR. SILLMAN:

Okay.

DR. GITTELMAN:

Thank you. The news isn't all bad. We would be really crazy to think it was all bad. We have three new terrific Trustees. I am very grateful to have you join us. It's not that we don't have terrific Trustees already here, but it's good to have three new terrific ones join the crowd. Susan.

MS. LEBOW:

Do we still have an opening?

DR. GITTELMAN:

We have one more that has been appointed, I believe, through the Legislature. I did speak with her, but I have not met her yet. We have one more new Trustee coming. Art, thank you for volunteering for the committee you volunteered for. Sarah, I'm going to take you up on your offer. I would be thrilled to have you join me in the Legislature. That would be wonderful. I could use the help. If you will join me, and if we can communicate, let's make a team of it. That would be absolutely terrific. I could certainly use some help with that.

I have one problem that I wanted to bring up. We used to go every other meeting. We'd have one in September and then we go to November. If we have a lot going on, we can have an October meeting, if you would like. The only problem is that I can't make it on October 15, which is the third Wednesday. It would have to be October 22.

MR. OLIVIERI:

Why don't we make it the second Wednesday?

MR. D'ORAZIO:

How do we stand with the audit?

DR. GITTELMAN:

The audit is an outstanding issue.

MR. OLIVIERI:

The problem with the audit was they gave us a report without the footnotes, which means it's useless.

MR. D'ORAZIO:

I understand that there is pretty much a deadline as to when –

MR. OLIVIERI:

But we need to vote on it. We have to have an October meeting.

DR. GITTELMAN:

If we could make it the fourth Wednesday, I would really appreciate it.

MS. GHIORSI-HART:

The only concern is we have a tax filing that is due November 15, and we're going to need audited figures from 2007, which we have not started yet. I would like a decision if we will continue with this firm one more year, so we can get going or if you want to talk about it.

MR. OLIVIERI:

Listen, we're so far down, like we were the last time with this, and we finally got them to understand the law, thanks to the County Attorney's Office. To change horses with the time that we need this done is not going to happen. If we bring in a new group, we're going to have to start from scratch to get them to go through everything and blah, blah, blah. God knows when they'll get the next report for 2007. If nothing else, just to approve a timetable to give them some pressure – I don't think we should be changing horses at this time. Everyone knows my opinion about changing horses.

DR. PECORALE:

Is it that you want a motion to extend them a year? Is that what you want?

MR. OLIVIERI:

That's what I'm going to ask for.

DR. PECORALE:

Okay, I move that we utilize for the 2007 audit year the same auditors as in the past.

DR. GITTELMAN:

Do I have a second for that motion?

MR. OLIVIERI:

I'll second it.

DR. GITTELMAN:

Is there discussion on that motion?

DR. PECORALE:

I think they have to understand that we're doing this with a great deal of reluctance.

DR. ROGERS:

We did this last year.

MR. GISH:

Have they been competent in the past?

DR. GITTELMAN:

Noel is asking a good question.

MR. OLIVIERI:

They are competent. The interpretations of how they have classified two very important items – one is the endowment and one is the physical real estate plants. They had it on our books and records. Suffolk County also carried it on their books and records, and you can't have both items on at the same time. There was as whole big discussion. The reason that happened is that the law had changed a couple of years ago as to whether we were going to be able to classify certain things for the audit, whether we were governmental entity or not-for-profit entity. Everything kind of got resolved. They said, "Just come down with a legal opinion from the County Attorney's Office," which we got, and they stated the law correctly. They finally said, "Okay, we agree with you." Other than that, I can't really say fairly they weren't competent. I just can't. They got it done fairly quickly, given that we had so many years to catch up on. You haven't heard this before, but it's been a long time. We did something like three or four years in a fairly short period of time. It was very difficult.

DR. GITTELMAN:

But I think there is another side to this. I'm not going to argue. I'm not going to argue the competency – I take that back. I will argue their competency. At every turn they have been incompetent.

For the record, when we came to FASB/GASB they didn't know what they were talking about. They had us misclassified. They put us through hell in a hand basket trying to get things straightened out. They dragged us through the mud for close to six months while they tried to figure out where we stood. Then when it came to the issue as to how the physical plants should be categorized, it wasn't just a question that they disagreed. They disagreed and insisted. Then when we said, "We don't agree," and we got an attorney's opinion, they wouldn't accept the County Attorney's opinion. They went to another body to protest or to get second opinion above the County Attorney where they were finally overturned. When they were overturned, and they do this three times, they presented us with their papers on the day of a meeting. What is the date that we received the current draft? When did you receive that?

MR. OLIVIERI:

This afternoon.

DR. GITTELMAN:

I would like to know that since we have gone around the table with these people, the reason we kept them on the last time, which was in January, was because of this exact same corner that they put us in the first time. We kept them on. They have delayed us for eight months as they deliberated. Now that two months ago we came to them with solid arguments and we had a legal

opinion on the table, they refused to budge. Then when they found out they were wrong, they still handed us an incomplete draft the day of the meeting, even though Carol and I pleaded with them to get it here sooner.

MR. OLVIERI:

What I'm going to point out is we have already won all the arguments.

DR. GITTELMAN:

It's not a question of winning the argument. It's a question of they are not serving our interest. If you think that we're going to get these people to move expeditiously, I use today and the last meeting as the best proof. Why didn't we have this 48 hours ago. They had all their decisions in their hands. They could have given it to us so we could have acted. Yet here we are unable to act because they chose to give it to us today.

DR. PECORALE:

Everything you're saying is absolutely correct. The point is that I asked the question and I'd like you to answer it for me, Carol. Do you need this 2007 audit to start moving or can you wait?

MS. GHIORSI-HART:

In order to do that November 15, you need audited figures.

MR. IADEVAIA:

November 15 we have to file our tax return, which is already on extension. I don't believe there are any further extensions to file the tax return. I think if we don't allow them to do the 2007 audit, we definitely should need them to file our tax return for 2007. They can send in a tax return. After the audit is done, we can amend the tax return if need be.

MS. LEBOW:

I have a question. In dealing with them, have we set deadlines when we expect to receive it?

DR. GITTELMAN:

Yes.

MS. LEBOW:

And they just don't pay any attention to it?

DR. GITTELMAN:

None at all.

MR. D'ORAZIO:

They come up with some reason for why they can't –

MS. LEBOW:

But if we're going to renew with them –

MR. OLIVIERI:

Let's be practical. Here is the issue, guys. When we say, "Okay, you're fired today," how long does it take us to find a replacement? Do we have to go out

for bids? Do we have to get all this stuff, and then where are we going to be on November 15? What are we getting, and how much is it going to cost?

MS. LEBOW:

Addressing your statement, if we go forward with your recommendation that we should use them yet again in the face of what I heard tonight about the continuing frustration, we should be simultaneously out there looking for new auditors for next time, knowing that we're never going to use them again after this. I don't want to wait until next year in October or September to start looking, but start immediately to get things rolling.

MR. OLIVIERI:

It's always easier said than done because this is a specialized area.

MR. D'ORAZIO:

There are not a whole lot out there. The other auditors may not see this the way we see it.

DR. ROGERS:

We want to set this condition and go this way every year?

MR. OLIVIERI:

Everybody on this Board knows that I was one of the ones who wanted to can them from the get go. They have given me more frustration than anybody, and I –

MS. LEBOW:

But I'm asking you, based on that, are we going to just repeat this every year?

DR. ROGERS:

Why can't we let them continue with the 2007 and get that finished but simultaneously start looking for a new auditor for 2008?

MR. OLIVIERI:

That we can do. What I'm saying to the Board is that, and I know Steve and I disagree on this, but for us now to start to change horses for this 2007 audit is just going to be a disaster. We're not going to get things done in any kind of timely fashion. They have all this work done already. They have been through this stuff. They got everything. There is going to be no new variations, no new problems in a sense. They're ready to go.

DR. ROGERS:

But we're saying to let them continue and finish what they started.

MR. OLIVIERI:

Some of the Board Members haven't had to really deal with this stuff. Carol, tell me if I'm saying something out of school here. You and I have been dealing with these people and David sometimes, too. I was not a fan. We need to get some stuff done.

DR. ROGERS:

I agree that you cannot get anybody to do 2007 now. They have to do it.

MS. LEBOW:

But David said there aren't that many people out there doing this type of auditing, so I'm a little confused.

DR. ROGERS:

We're at fault because we knew this last year that this was going to happen. We should have last year –

MR. OLIVIERI:

If you remember where we were, we did four audits in a matter of two years in catching up. Am I wrong?

DR. GITTELMAN:

Three audits.

MR. OLIVIERI:

We were like years and years behind. This 2007 audit should have been done. This is the most timely thing we have done in a long time with these audits.

DR. GITTELMAN:

We were done in February. The entire delay from February to today was due to their unwillingness to sign off on something that they turned out to be wrong on. I guess all I really need is an assurance, which I'm not going to be able to get –

MR. OLIVIERI:

You're not going to be able to get from us because –

DR. GITTELMAN:

Here's my point. They don't respect deadlines. The reasons they gave us for not delivering in the past two months was that someone was out of town or someone was ill. In two months, they won't make meetings. You know that. They have absolutely no respect for the needs of this institution. What they want to be is they want it on their schedule. If they cared about us, we would have had this done six months ago. In the last meeting, I asked specifically, if you recall, were they paid. They have been paid in full. Had we completed all the paperwork? Yes. There was only one outstanding issue, and the County Attorney had already decided on that. They rejected the County Attorney's opinion. What makes you think they're going to deliver this by November 15?

MR. OLIVIERI:

Well, how are we going to get somebody in here before November 15? I have been down this road way too long. I think we all have.

DR. ROGERS:

Now we have an agenda. We now know what the audit should be like. You can take their information and convey this down to a new auditor, as well as any rulings that have been handed down as to what we are and what we're not. That should be presented to the new auditor. At that point, before you hire

them, let them understand this is what we have. If he doesn't agree with it then, don't hire them. But do it now, so we can proceed with the 2008 audit in a timely fashion.

DR. GITTELMAN:

We can show them the audits and get them to look at the audits that we've generated in the past and see if they find any problems with them.

MS. LEBOW:

But this raises a question. David, I thought I heard you say that there aren't that many auditors out there for us to choose from. Is that true?

DR. ROGERS:

There are thousands of them.

MR. D'ORAZIO:

They may not necessarily be of the same opinion that we have finally gotten from this company.

MS. LEBOW:

Their opinion was based on the County Attorney's opinion and other opinions, wasn't it?

MR. OLIVIERI:

The County Attorney gave them one and this thing has been going on forever.

MR. D'ORAZIO:

Not all companies have to necessarily agree with –

DR. PECORALE:

I think Bill's approach is where we should go.

MS. LEBOW:

I do, too.

DR. PECORALE:

Make certain that the auditor understands that we have tremendous concerns over the way this has been dealt with in the past. We're not happy about it. We are seriously concerned about their ability to meet our needs and we should start looking. We may not be able to find somebody, but at least we should look.

MR. GISH:

It should list those deadlines that they have to meet before their work could be considered.

DR. ROGERS:

Have we gotten a temporary draft to approve –

DR. GITTELMAN:

Yes, we have a temporary draft.

MR. D'ORAZIO:

Let's not put a motion on the floor. Let's rescind the motion on the floor –

DR. PECORALE:

We have a motion.

MR. D'ORAZIO:

Let's rescind it.

MR. OLIVIERI:

I want to hear what the accountant has to say.

MR. IADEVAIA:

I think for 2008 the issue with a new audit firm coming in having problems accepting their opinion, from what I understand, is like Steve said, they took it a step further. They went to the Government Standards Board, and they must have gotten an opinion, which they can give us because –

DR. GITTELMAN:

I'm holding it. Can I put it on the record?

MR. IADEVAIA:

Okay, I didn't know we had that here.

DR. GITTELMAN:

It's with regard to the audit after our meeting. This is from Valerie. This is after they got the opinion from the County Attorney. This is on September 2. "Rob and I made inquiry to the Governmental Accountant Standards Board, GASB which establishes the standards for all government entity reporting in the hopes of finding a more amicable and palatable solution to this situation. We received counsel that we indeed can remove the County owned assets from the books together, delay the depreciation and present the beneficial interest in the perpetual trust relating to those assets as a footnote, rather than as a line item on the balance sheet. The GASB *allows*" – and that's in italics – "for the reporting of the beneficial interest but does not require it as not-for-profit accounting does. This means that we will, in fact, be able to accommodate the Board's request to remove the County owned assets from the balance sheet." That's on September 2. Why didn't we have statements five days later after waiting seven months?

MR. OLIVIERI:

That I don't know. We were supposed to have a meeting that they couldn't make or they were going to give us something and then it showed up today. We didn't have a chance to discuss that little item.

DR. ROGERS:

We don't have to discuss that with them.

MR. OLIVIERI:

I understand that. He asked me a question. I don't have an answer for that.

MS. ANKER:

How are we going to trust them to make an ultimate evaluation? We go to the audit. It's done, okay, let's go on to somebody else.

DR. ROGERS:

If they find out that we're not going to be using them next year, they are going to tie us up even more for 2006.

MS. ANKER:

Can I ask who the company is?

MR. D'ORAZIO:

They are one of the largest in the country.

MS. ANKER:

Well, then that's more reason to not want bad PR if they're that large, especially from a –

DR. GITTELMAN:

They're not that large. They're a small company.

MR. D'ORAZIO:

I thought they were –

DR. GITTELMAN:

We keeping dealing with the same crowd, so I keep thinking it's small.

DR. PECORALE:

We're still talking about the 2007 audit.

MR. OLIVIERI:

Folks, let's stay focused here. 2007 is due in November. Where are we going to go in two months?

DR. GITTELMAN:

We have three Trustees speaking at once and it's impossible to keep a written record of that. Can we start over? Noel?

MR. GISH:

Does anyone disagree that we're going to go with this company for 2007?

DR. GITTELMAN:

That's the motion on the floor. We're in the discussion phase.

MR. GISH:

I think we go through with that with the understanding in a written format that we have not been happy with their services in the past, but we have given them a new time table for them to meet our requirements for the 2007 audit to come through to meet with us so we can deal with the problems at the Vanderbilt in a timely fashion. It's very difficult when we don't have that financial information to be able to make long-range plans. We can be very, very nice, very positive and upbeat. We asked you to do something. Then we begin on our own a Committee, and I'll be on the committee, to look for –

MR. OLIVIERI:

Why don't you be Chairman?

MR. GISH:

I'm with the Suffolk County Historical Society in Riverhead. I'll check with Wally and see who they have. We can see whether we can put together maybe a list of other individuals -- Mike can appreciate this -- that we can work with. Right now, just from this feeling in one night, I'm not really comfortable with the reaction of the President to the question as to whether we have had any problems with this company. There was a visceral reaction.

DR. GITTELMAN:

I'm sorry.

MR. GISH:

That lead me to believe that we were moving too quickly for 2007. I understand the difficulty. The audit for 2007 is fine. We can go with them. We have to now. We're in a difficult situation with November, but I think we should intellectually realize that we may have to move somewhere else and plan on it. Let's not be held hostage for 2008.

MR. OLIVIERI:

I agree with you. I second the motion.

MS. LEBOW:

Let's move sooner, not later.

DR. GITTELMAN:

I have a motion and a second. The motion is to allow them to do 2007. Period. All in favor? Opposed? **(Vote: 12/0/0/3 Absent: Ms. Gicas & Mr. Macchione. One vacant position.)** It's not off the record, but I've got to tell you. I can't understand what amicable and palatable mean in this context.

MR. OLIVIERI:

I've been dealing with these people for too long. I don't want to make any more comments.

MS. LEBOW:

May I just clarify something? Whether we like the way they treat us, we will get an audit that the accountant can work with. That is my understanding of what's going to happen for 2007.

MR. IADEVAIA:

2006 has already been completed. For 2007 my suggestion would be to hire them and get an engagement letter signed as soon as possible because we want to get that -- the audit -- I don't know, when Budget Review needs it, there is really no deadline with audits. But for the tax return, there is a deadline, and we don't want to be in that position where we're going to be charged penalties. Penalties are severe.

DR. ROGERS:

When is this due? November?

MR. IADEVAIA:

The tax return is due November 15. It's on extension.

DR. ROGERS:

They have to produce this by the 15th of November.

DR. GITTELMAN:

No, if you wait for the 15th, we'll never have it.

DR. ROGERS:

Well, they have to produce it before that so we can submit it in November. That's their responsibility.

MR. IADEVAIA:

Right, so once we get the engagement letter signed, then it's their responsibility and they will move on it.

DR. ROGERS:

If they don't do it, we'll have to get somebody else.

MR. IADEVAIA:

It only takes maybe one week of fieldwork and maybe another two or three days in their office to draft –

DR. GITTELMAN:

We had a vote. It was passed unanimously.

MR. OLIVIERI:

Next topic.

DR. GITTELMAN:

Next topic. Okay, we have another subject to discuss. We have a security company that is doing a very poor job. We have a contract with the security company that is over. It expired. The contract that we had is ugly. The contract that had been proposed to us by what appears to be a very fine company is also ugly. I'm using general terms because I have reviewed the contract. It's basically one of those contracts that says we will indemnify them for just about everything. They will promise to do very little. The firm is a very reputable firm. They have made a proposal. I'm stunned. I don't know that we'll be able to get what we might consider to be palatable changes in the contract with the new company. I will tell you that the new contract is better than the old contract and the new contract is a bear.

DR. PECORALE:

So what is the issue?

DR. GITTELMAN:

We need a new security company.

MR. OLIVIERI:

Does Carol sign on behalf of the museum a new contract for this new security company even though the contract is really ugly, as Steve likes to put it.

DR. PECORALE:

Do we have a way out of this new contract if you are unhappy?

MR. OLIVIERI:
Yes, 60 day notice.

DR. PECORALE:
Why don't you ask them for a 30 day notice? Cut it in half.

MR. OLIVIERI:
The issue is that they don't really have to do anything. We seem to have all the liabilities and responsibilities. The only thing they threw in there that I saw was that they would now put us down as additional named insured under their policy for any liabilities.

MS. LEBOW:
And that would include the negligent behavior or criminal behavior of their own employees?

MR. OLIVIERI:
Whatever their insurance policy covers. First of all, criminal behavior you can't insure.

MS. LEBOW:
But negligence you can.

MR. OLIVIERI:
That's what it is – you're additionally insuring their liability policy.

DR. GITTELMAN:
But if one of their employees slips and falls, we're responsible for the safety of that employee.

MR. OLIVIERI:
Yes, that's the way they have it written.

MS. LEBOW:
If they slipped and fell on our premises, we will still have that problem.

DR. GITTELMAN:
But they are security and we don't always plow ahead of security, for example. We are not always clearing snow ahead of security. Security is here in the middle of a snowfall. I'm just giving you an example.

MR. OLIVIERI:
You're right, Steve. The issue that I had to raise with Carol is, I sit on this Board. She asked me to look at the contract. Being a lawyer I cannot be a lawyer for the museum as I sit on the Board.

MS. LEBOW:
That's right.

MR. OLIVIERI:
I read this thing, and I really hesitate to start marking up, redrafting and sending it in to Carol because God forbid there is something I miss or make a

mistake and everybody is in a suit, especially me. So my legal opinion was to ship it over to the County Attorney and let them decide.

MR. D’ORAZIO:

Isn’t that a conflict of interest?

MR. OLIVIERI:

Yes.

MR. SILLMAN:

Is this a bid contract?

DR. GITTELMAN:

Yes.

MR. SILLMAN:

It goes through the County –

DR. GITTELMAN:

No, we can pick it.

MR. SILLMAN:

You can pick whoever you want. I would be more than happy to take a look at it.

DR. GITTELMAN:

That would be terrific.

MR. SWINSON:

Can I make a suggestion for a company that could provide security?

DR. GITTELMAN:

Sure.

MR. SWINSON:

I can give that information to you within the next couple of days.

DR. GITTELMAN:

Okay.

MR. SILLMAN:

Just by the way, this is standard procedure that they’re going to ask for you to be liable, and you’re liable anyway because they’re not your employees. Unless it’s your own employees, anybody could walk on these premises and sue you.

DR. GITTELMAN:

That’s my report. Any old business?

MS. OLDRIN-MONES:

Is the Personnel Manual old business?

DR. GITTELMAN:

Yes.

MR. OLIVIERI:

We need to do this. Gretchen and I are tired of this manual.

MS. OLDRIN-MONES:

People who have been on the Board before tonight have had a copy of the manual since the last meeting.

MS. LEBOW:

I see that we have left open -- and excuse me for interrupting. What is the next meeting date?

DR. GITTELMAN:

October 22.

MS. LEBOW:

Sorry to interrupt, but we didn't make that clear.

MS. ANKER:

I won't be able to make that meeting.

DR. GITTELMAN:

Okay, we're now discussing the Personnel Manual.

MS. OLDRIN-MONES:

I hope everyone has had a chance to look at the manual for the last two months. Is there any discussion on it?

MS. GHIORSI-HART:

This has been looked at by the County Attorney.

MR. OLIVIERI:

It's been blessed, burped and God knows what else.

DR. GITTELMAN:

Motion to pass.

MR. OLIVIERI:

Motion to accept the Employee Manual as presented to this Board tonight.

DR. GITTELMAN:

Do I have a second?

DR. PECORALE:

I'll second it.

DR. GITTELMAN:

Any discussion?

DR. PECORALE:

The one thing that I looked at that I had a question about is the FMLA, the Family Medical Leave Act. It's dependent upon a number of employees you have.

MR. SWINSON:

Excuse me for interrupting, but I have to leave now. Sorry.

DR. GITTELMAN:

No problem. Thank you for coming.

MR. OLIVIERI:

What was the question, Tony?

DR. PECORALE:

The Family Medical Leave Act is dependent upon how many employees you have – at least 50 employees. All those who are part-time don't count. I'm doing nothing more than questioning it based upon my experience with FMLA. You are better off without it than with it. If you can say that you don't meet the minimum requirement, my recommendation is take it out.

DR. GITTELMAN:

We do not meet the minimum requirement. Not if you're correct in what you're saying.

DR. PECORALE:

It says that. It's there. It always was. The Federal Law says that you have to have a minimum of 50 employees. It excludes small businesses and organizations that did not have at least 50 employees.

MS. LEBOW:

Fifty full-time employees.

DR. PECORALE:

That's right, because all the part timers didn't count. My suggestion is that you take that out.

MR. OLIVIERI:

We have to check that because we just went through this whole mess with an outside attorney and then we had the County Attorney look at this thing. Everybody said to leave it in.

DR. PECORALE:

Well, read what you have here. Fourth line down.

MS. GHIORSI-HART:

We have our Human Resources person here.

MS. FOLGER:

I've worked with Gretchen on this as well as some of the attorneys. There are a lot of changes being made with the Family Medical Leave right now. They have made a lot of exceptions for war time. There were specific paragraphs we had to

include even if we weren't -- It was my understanding that they had to be included even if we weren't necessarily under that 50 employees. There were certain paragraphs that had to be included regardless of if it made a difference or not.

DR. PECORALE:

I would suggest that you check that out.

MR. OLIVIERI:

That's what we did. We had that Washington attorney look at it with the new regulations that came out. That's what they came up with.

DR. PECORALE:

All I know is you're better off without it.

MS. GHIORSI-HART:

But I think they decided that we have to have it in there.

MS. FOLGER:

Yes. Because some of it is still pending, I think is the reason it was left in there. There are some changes that are -- my understanding, when I was researching it, is a lot of it had to do with the war time. They are changing a lot of family medical leave based on people who are involved in war with all the reservists being sent over. They are making a lot of major changes, and they really don't know how to deal with it, so at this point it was said to put this in to make it safe until some other legislation is passed.

MS. LEBOW:

I'm just questioning -- and this is the first time I'm involved in this because, unfortunately, I missed some meetings but --

MS. FOLGER:

The last time we --

MS. LEBOW:

Are we putting it in with pending things that we don't know what it's going to --

MR. OLIVIERI:

Well, Susan, if you look how it's actually worded, it says here that--

MS. LEBOW:

Where are you?

DR. GITTELMAN:

Please, one at a time.

MR. OLIVIERI:

Page 14. And the operative clause that I'm looking at is on the 5th line, a third of the way in. It says, "Number three, work at a location with at least 50 employees within 75 miles." If we don't have the 50 employees, then it says in the second sentence near the end, "To be eligible for family medical leave an employee must: 1, 2 and 3." If we don't have the 50, then it's not eligible, so it takes care of that issue.

DR. PECORALE:

That's why I felt it should be taken out.

MR. OLIVIERI:

With the thing pending and what's going on, they had recommended leave it in like this with this line.

MR. GISH:

With the omission of that it makes us more vulnerable –

MR. OLIVIERI:

You're right. Exactly what they said to us.

MR. GISH:

It's no harm, no foul on this one. I don't think it's going to be an issue.

DR. GITTELMAN:

Are you prepared to vote? I have a motion and a second. All in favor? Opposed? **(Vote: 9/0/2/4 Abstained: Dr. Pecorale & Ms. LeBow. Not Present: Matt Swinson. Absent: Ms. Gicas & Mr. Macchione. One vacant position.) It carries with two abstentions.**

Is there any new business? We still have two outstanding capital project problems, which have not been resolved. The Board should be aware of these problems.

One is the bridge, the structural integrity is still undetermined.

MR. OLIVIERI:

I thought we had money already –

DR. GITTELMAN:

No, first it has to be completely determined and then it will be funded.

MS. GHIORSI-HART:

The money is in the capital program for 2009.

DR. GITTELMAN:

But there is money in there.

MR. OLIVIERI:

Didn't they –

MS. GHIORSI-HART:

They think it's enough money. The tower is the biggest problem.

MR. OLIVIERI:

Did they make a determination that they weren't going to have to tear it down and build it from scratch?

DR. GITTELMAN:

Yes, absolutely.

MS. GHIORSI-HART:

Yes.

DR. GITTELMAN:

I just want you to be aware of something else. The other thing is that we are also going through the structural integrity of the tower.

MS. GHIORSI-HART:

The tower – this project will be funded from the façade project, which included the tower. But all the money that we had hoped to do other things with is now going for steel reinforcement of the tower.

DR. ROGERS:

What is the estimated cost on that?

MS. GHIORSI-HART:

I don't even know that they've gotten – we're talking about a million, maybe two. And, again, with the boathouse, as with other projects, once they get into these things, it tends to expand. This is actually going to impact us because they need to start this as soon as possible. They will start middle of October. The courtyard and the mansion will then become inaccessible to anyone with handicaps or the elderly. We're hoping this is going to be just for a matter of a month or two, but again, things tend to escalate.

MR. OLIVIERI:

Do we need the tower?

MS. GHIORSI-HART:

It has been suggested to return to the original 1917 version, but you will be hearing about it, and this could be a big problem for us.

DR. ROGERS:

Are there any other spots that have access to the courtyard?

MS. GHIORSI-HART:

No, not easy at all.

DR. GITTELMAN:

Not for handicapped people.

MS. GHIORSI-HART:

People will be able to get to staircases, but there are multiple staircases and I don't even see how, even with lifts, that we could get anyone up there. It's going to be –

DR. GITTELMAN:

The one phrase that you have heard from Carol is that this is coming out of the façade funding. In a recent meeting, I took Trustees around and showed you

the fragile state of the facades. For those of you who weren't here, I want you to understand that these facades are so fragile that if you go up to many areas, and we're not saying a few, we're talking many, you can stick your finger right through them. There is maybe a one-eighth layer of what might be considered to be stucco, which is holding sand. It used to have some form of cement in between the sand granules. Now if you want to take a piece of the Vanderbilt home with you, it's no more difficult than going ahead and brushing against the wall.

In a heavy rainstorm, the building erodes. The beautiful details on the facades, one of the things that I think we would have to do is make sure that our photographic records of every façade is complete in detail from as many angles as possible with scales because I will tell you that five years from now many of these facades will be gone. This money has to be diverted into that tower. Now that money will not be there to stabilize those facades and the detail will erode.

MR. GISH:

Is there anything that would preserve the façades as they are now? Is there any epoxy spray that could be sprayed on the exterior? Have you looked at any engineering feasibility to protect what's there already?

DR. GITTELMAN:

At one time we did. The façade money is a capital project. In reality, it's a maintenance issue. I hate to say it, but it's true. The facades have to be maintained at this juncture. The stucco was not intended to last 100 years. Noel, I'm sure you're sensitive to this problem and you understand it.

MR. OLIVIERI:

Also, doesn't DPW have to really get involved and do all this stuff?

DR. GITTELMAN:

DPW came up with a program for façade maintenance. That's what was funded. It's that money that we're diverting. No, we have not come up with a stabilization solution to put on it because we were in an active maintenance program. But now we're transferring those funds to stabilize –

MR. OLIVIERI:

So let me repeat myself. Do we really need that tower? Can't we just seal it off?

DR. GITTELMAN:

Motion to adjourn.

DR. PECORALE:

Second.

DR. GITTELMAN:

I have a motion and a second. All in favor? Opposed? **(Vote: 11/0/0/4 Not Present: Matt Swinson. Absent: Ms. Gicas & Mr. Macchione. One vacant position.)**

(Dr. Gittelman adjourned the meeting at 10:20 P.M.)

SG:ap