

SUFFOLK COUNTY VANDERBILT MUSEUM

BOARD OF TRUSTEES

Minutes

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held on October 22, 2008, in the Planetarium Lobby, Centerport, New York.

The following were in attendance:

Dr. Steven Gittelman - 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
Elizabeth Kahn Kaplan - Trustee
Carol Ghiorso-Hart - Acting Executive Director
John Pokorny - Staff
Barbara Oster - Staff
Paul Glatzer - Staff
Lorraine Vernola - Staff
Jana Folger - Staff
Stephanie Gress - Staff
Peter Newman - Staff
Mary Jane Selvaggio
Maryann Zakshevsky - Staff
Laura Gellerstein - Aide to Legislator Jon Cooper
Lance Reinheimer - Budget Review Office
Ted Kaplan
Todd Shapiro - Todd Shapiro Associates
Ann Marie Pastore - Stenographer

Absent:

David D'Orazio - 1st Vice President
Matthew Swinson - 2nd Vice President
William Macchione - Trustee

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

DR. GITTELMAN:

Good evening, everyone. We have a very critical meeting and a lot to cover. I would like to welcome you all to a regular meeting of the Board of Trustees of the Suffolk County Vanderbilt Museum. Do we have a list of the guests in attendance?

MS. PASTORE:

Yes.

DR. GITTELMAN:

Thank you. I've never done this before, but I'm going to do it tonight. I apologize to all those guests who wish to address the Board, but I am going to handle some of the financial issues right up front. I invite all of you to stay and listen. I feel that it is essential that we get right to that business first. We will then break to invite members of the public who wish to address the Board. They can do that at the appropriate time during the meeting. That's a change in protocol that we don't usually do. We have never done that before. These are very unusual times.

Therefore, you will note item two on the agenda, the fiscal crisis. I want to move right to that. Perhaps you have seen the article that appeared in *Newsday* today. I think that it makes good sense to explain the meeting that they were reporting about.

Let me begin there. Yesterday there was a meeting at the Legislature. It was a meeting where we had an opportunity to present to the Legislature in committee our questions regarding the budget for the museum for the year 2009. The County Executive had submitted a budget. Legislative Budget Review had put in their recommended budget. We had an opportunity to make comments.

Without going into the details of the changes that the County Executive made into the budget, which we can certainly do later or at the appropriate time, I basically want to explain to you that we kind of jumped over that budget and immediately went to the issue that seems to be most threatening to institution at this point. That is the endowment from which we have been drawing \$1.2 million a year at the rate of \$100,000 a month for quite a while. The endowment has dropped substantially from our last

meeting. Those of you who were here at the last meeting might recall that the endowment was somewhere – and I’m just going to throw out a number – about \$10.7 million. Subsequent to that meeting, I can tell you today that the last I heard it was at \$8.63 million. The threshold that we can’t cross, regardless of whether it was \$8.63 million or any number near that, is \$8.2 million. The reason for that is that Mr. Vanderbilt originally put out the sum of \$2 million in 1970; another \$6.2 million was added to that, bringing the original principal of the endowment to \$8.2 million. That is a line in the sand. Mr. Vanderbilt made it very clear in his original bequest that they are only to draw from the incoming and that we cannot draw – well, he did not say that we cannot draw from the principal. He simply said we are entitled to use the income for running this institution.

Therefore, it has been interpreted over the decades that that’s it, when you get down to \$8 million we’re stopped. When I approached Budget Review with the question, “What happens at \$8.2 million,” Budget Review said to me that we would no longer be receiving any funds because that’s it.

The process that we’ve been using year in and year out is that I would go to the Legislature and work with a Legislator to submit a bill at this time of the year, probably by now, and we would get it in toward the end of the year. Each year we would renew with the Legislature its agreement that we receive the \$1.2 million.

This year, on the other hand, I find myself in an unusual impasse because if I were to get a bill that allowed me to get \$1.2 million for next year and if the endowment were to have fluctuations like it did today and yesterday, which was somewhere in the \$300,00 to \$400,000 range downward, if we were to go down \$300,000 or \$400,000 tomorrow and believe me we all know that this is a very realistic possibility – when I say today, I mean today. The Dow dropped 510 points. The endowment in two days seemed to dropped \$300,000 or \$400,000. If the endowment were to do that tomorrow or the next day, we would be at the \$8.2 million threshold and, according to Budget Review, we would no longer receive the \$100,000 that we expect to get on November 1.

Therefore, we have possibly an impending crisis that’s not really tied into just the Legislative calendar, which is what I was

addressing in the last meeting. We said that we had to put in a bill for next year. We are confronted with a crisis that can actually surface in the next week.

I will also tell you that the museum does not have the cash flows necessary to float the institution through the month of November if, in fact, that Armageddon scenario were to happen. If we do not receive the next payment, I think we would be confronted with a very drastic situation.

We have to mitigate the problem. When you go to the Legislature, the best that you could hope is that the Legislature will pass legislation. And you can hope that the County Executive will go along. That's the most expeditious path.

However, the County Executive does not, at this point, seem to agree that it's the appropriate path. Legislator Vilorio-Fisher, Chairwoman of Parks, has been quite supportive, as have other Legislators, in saying that they won't let the institution grind to a halt. Budget Review is here. They are going to tell us about some of the proposed legislation. But I shall tell you that as of the meeting yesterday, there was simply no solution on the table. There was nothing that this institution could turn around and say, "We'll be open until Christmas."

I think we have to catch up on what the historical facts are, and we have to catch up on what the fiscal realities are. You will have to pardon me while we wade through certain things.

The first thing is that we were asked in the meeting if we could shutdown, what would the consequences be of a shutdown – a temporary shutdown. On Sunday Carol and I went through the numbers and tried to come up with a scenario to say, "Okay, what are our responsibilities here? What if they didn't give us the \$1.2 million? What's the deal?" Let's say they give us \$400,000, which is Legislative Budget Review's recommendation, and we get the \$400,000, remember now, even if they pass legislation, they are not saying to us that they will pass legislation that will allow us to have made principal. They are saying to us that they will allot \$400,000 of the income, which could be unrealized capital gains, but they will allow us to take the income -- anything above \$8.2 million, \$400,000 for next year. This does not include the Armageddon scenario that I described to you. We have no plan in place to defend against

the Armageddon scenario. We simply don't. If the \$100,000 that we would anticipate receiving didn't arrive on December 1, I don't know what we would do. I don't have a plan for that. This all evolved so quickly that we have not prepared for that scenario, and I don't think anybody has asked us to say, "What would you do if you lost \$1.2 million of your \$2.2 million budget, how would you function?" The answer is that we don't have a complete answer.

Let's talk about what our responsibilities are if, in fact, we have \$400,000 going into next year, and that's the legislation that we could get passed. At \$400,000 I would say that the first responsibility for this institution is to protect the buildings, the grounds and the collections. That's it. Therefore, we had to come up with a budget, if you will, that would protect buildings, grounds and collections. That means we need buildings and grounds maintenance. We need to heat the buildings, and we need security. That's as bare bones as we can go and still be able to say that we were upholding any form of responsibility toward Mr. Vanderbilt and toward this institution. That would be the minimum responsibility. After all, the only thing less than that is to simply turn off the heat, walk out, let the vandals tear the place apart, let the collections freeze, and the heck with it.

Taking it one step above that, we came up with a budget for doing that. Carol will present it to you.

MS. GHIORSI-HART:

All right, a budget that we put together realistically for a total public shutdown of the facility with basic maintenance, some oversight of the collections, and the necessary utilities and other expenses that we would incur in the first year of a shutdown would be figuring two full-time grounds people, a business manager because there would still be bills coming in, there would have to be some oversight there, and someone in the curatorial staff just to keep an eye on the collections. The total for that would be about \$177,000 – just bare bones, four people on the grounds handling all the business of the museum. Because we have 15 full-time people, and we have 50 part-time people, at least 5 of those are close to full-time, there would be unemployment benefits that would be paid out in this first year. Assuming that only 11 full-time people were left, we anticipate about \$127,000 in unemployment. That figure would go up with some of our part-time people. Hopefully some of our full-time

people would get jobs, so it would probably balance out. We would still need security.

Again, we have to make this clear that we're not just talking about protecting the valuables here. We are talking about responding to fire alarms, which on a property this size with the number of different buildings is one of the important roles that security plays here. We would need, as we have now, two full-time people round the clock to take care of that part of things. In fact, this is conservative because if we had minimal staff on site and people know we're shutdown, you might want to increase that, but the current security costs would be \$263,000 for the year. Just these personnel costs of four full-time people, the benefits for that one year of unemployment, and security would be about \$567,000.

There would be additional costs. We have a contract with the company, for example, that oversees our fire alarms of about \$25,000. We have furnaces in our buildings, HVAC systems, different operational, electric, plumbing, that even if no public is coming in regularly, there still would need to be oversight. Again, being conservative, maybe \$60,000. We could cut down. In 2007 it was \$80,000; maybe it would only be \$60,000. Again, some of this is contractual and you have to do this.

Vehicles, supplies, you still would need some maintenance, such as clearing the snow so security could respond to emergencies, giving some bare minimal of care to the place, maybe \$10,000. That's half of what we currently spend. Again, we need some building supplies you would still need, such as fixing leaks. There is proper maintenance. So there is maybe \$7,000 for that. Again, that's about half of what we currently do. We would need some landscaping supplies to maintain the place, which is half of what we currently have. These things are about \$80,000.

We also would have to heat the buildings. In a total shutdown situation, there are a few buildings where we could turn the thermostat way down, winterize, but the difficulty at our museum is that our artifacts are our responsibility. We are stewards of them and like people they have environmental needs. We couldn't really change the environmental needs that much in the areas that there are artifacts, which includes the mansion, which is one of big difficult expensive areas, as well as

our marine museum. There are some other buildings that have storage facilities.

In addition, the buildings themselves are artifacts, and you can't let buildings completely go cold, so there would be an ongoing expense. Conservatively, in 2007 the heating bill was \$50,000. This year we have already spent \$50,000 for this cost, but even if it was half what we projected to be this year, \$30,000. Electric, again, we're big electric users. For our HVAC system and for other monitoring in '07 we spent \$130,000. It's more this year. So maybe we could cut it to \$80,000 for that. We would need telephone lines. I didn't bother putting that in, but that's another additional cost. Not because anyone would be calling, particularly, but because again with our fire safety you need two lines for every building. I think it would be about \$1,000 a month. So that would probably be about \$10,000. Again, I didn't even calculate that in here, as well as some water. These expenses would be about \$110,000 for the utility costs.

Then we need insurance. A Director and Officer's liability, we would probably want to continue with that. Crime fiduciary, again, these might go up, but \$36,000 for that. You would still have an audit, and there would be at least \$17,000 for that. We would still have meetings, so we would need a stenographer. There are other incidentals that I have not included in this, such as postage, copying machine that you would need, but roughly administration, \$58,000. The total of all these things that I just mentioned is \$815,869. You could round off to \$815,000. Again, it doesn't include office supplies, part-time unemployment, things that we haven't thought about, but that is in a total shutdown situation for the first year. The second year might be different.

DR. GITTELMAN:

So let me clarify, if we shut the museum down beginning January 1 and keep the museum closed for one year, we estimate it will cost \$815,000. Of course, there is no revenue generated in the museum at that juncture. We will be receiving \$400,000 from the endowment, and we will therefore have a loss of \$415,000 for the year. Clearly the recommendation, with all due respect to Budget Review, that we receive \$400,000 simply will not work if we choose to shut the place down. It will still cost \$800,000 just to close the doors.

I know we can debate about these numbers, and I'm sure that a sharp pencil scrivener can get in there and maybe save some money on this, but there are a few other expenses that we're not including. One of them is that we might jeopardize our accreditation. Two is that we're going to lose a fine staff. Three, we're going to lose the goodwill that we have in the community. Four, we're not including the vandalism that might occur to the facility.

What we're really talking about is that if we were to close, it will cost approximately \$800,000, plus what we'll call the intangibles.

We'll talk about next year. I want to point out immediately that in the second year, you would not have the unemployment that we added, which was how much?

MS. GHIORSI-HART:

The unemployment was \$177,000.

DR. GITTELMAN:

In round numbers in the second year of a closedown, and by the way, after two years of a close down, I'm comfortable with the thought that the American Association of Museums might not consider us a museum any longer. Yes, Dan.

MR. OLIVIERI:

If that occurs, under this will, does this the property revert back to the estate?

DR. GITTELMAN:

You're a lawyer.

MR. OLIVIERI:

I'm just looking at this will for the first time, and it looks like that's what would happen.

DR. GITTELMAN:

What I have done in my head is I have separated – I'm talking the fiscal reality at this juncture and the next thing I want to talk about is those issues. In other words, would we even own the place later on? I've had to segment this with the fact that I had a sleepless night last night trying to figure out how we would have this meeting after 19 years of being on this Board. We

would have in the first year an approximately \$800,000 expense and a \$400,000 deficit. We're just going to round that down to \$600,000 in the second year, and then I'm also going to say that you can ignore this place and just let it fall apart, but we decided that we were going to go in with what we thought was the minimal responsible approach. Clearly, if you just vacate the place, it doesn't cost quite as much to keep it. In the second year there would be a \$200,000 loss.

Let's talk about programs. After all, the programs themselves generate revenue and we're no longer getting revenue from the endowment. It's the first year and then the second year the economy stabilizes, the endowment, thank goodness, is at \$8.8 million, and we're now living off of \$400,000. We are living within our means. The only problem is now we are adding back programs. Now we have to look at that model to understand what happens when we add back programs or as I said to Carol, I had three models. I had one where you start out with nothing and add back or where you start out with everything and you subtract. We can either do the subtraction method, or we can do the addition method. We're going to start with the addition method because I think we will find subtraction. When you subtract equally from something, you do end up at the same place. But we will start with addition. If we added – pick your program, Carol.

MS. GHIORSI-HART:

Let's say we opened up the planetarium and added the planetarium back. The revenue that we had in 2007 in the planetarium was \$274,000. The expenses for direct employees, full-time and part-time employees who directly programmed in the planetarium, you would have the people that run the sky shows, people like ushers, people taking tickets, people fixing things, clearly our planetarium staff, plus whatever supplies the planetarium used in that area was \$205,000. We do make some money, if you just look at this. The problem is that once you add in this much activity, you need more administering of oversight. That scenario doesn't include a Director for the museum. It doesn't include the human resource person, because you have more staff and you're paying people. It doesn't include someone answering the phone, giving directions to people. So there is a lot of administrative support that once you add any element, that sort of kicks in.

DR. GITTELMAN:

So let's just stop at this juncture. We have now added the planetarium back, and we haven't added any support.

MR. OLIVIERI:

By the way, is that with or without the new projector?

DR. GITTELMAN:

That's without the new projector.

MS. GHIORSI-HART:

That's based on 2007.

MR. OLIVIERI:

Assuming the old one is still working two years from now.

DR. GITTELMAN:

Of course, we're presuming that everything is wonderful.

MS. GHIORSI-HART:

I didn't add any increased utility costs, by the way, which there would be clearly more –

DR. GITTELMAN:

But the revenue from the planetarium against basic expenses not including any overhead, we now added into \$270,000 versus revenue, subtract \$205,000 from that, and you will have \$69,000 net. You had a \$400,000 deficit. You now have achieved the \$331,000 that was with absolutely no support staff.

The thing that is totally illogical about that is that you are not going to get the same attendance if you don't have anybody to answer the phone or take tickets or to run the place. But the other thing is the critical mess of the place. It's decimated. You don't have mansion running. You don't have other activities. You don't have education programs. The chances of maintaining the same volume in the planetarium are questionable.

Nonetheless, I think it's reasonable to say that if we added the planetarium back, we might break even on the planetarium without bringing in any overhead. Therefore, we would still run the first year a \$400,000 deficit and then we would probably run a \$200,000 deficit. Certainly by the end of the first year there would be questions about our fiscal sanity. If we add the other

programs, allow me to give you a theme here. The endowment generated \$1.2 million of a \$2.2 million institution. We generated \$1 million worth of programs. We have described to you a roughly \$600,000 base cost to save the physical plant of the institution. Therefore, \$600,000 of the \$1.2 million really doesn't apply to the other \$1 million. The \$1.6 million generated \$1 million. You could add back the programs that generated your \$1 million all day long, and if you add back the associated overhead with that, and you don't have the \$1.2 million as a base, you're going to lose money.

The reverse side is if we start out with -- we get \$400,000, we make \$2.2 million, and we now have an \$800,000 deficit, I have good news for you. We are working on a fine economic year for the institution. We may approach \$170,000 in the black for the year. We're not running this institution fiscally poorly. This is not a case of our operations losing money. So that \$800,000 might shrink to \$600,000. If we take \$800,000 out and we don't subtract some overhead, we'll lose \$600,000. But when you subtract overhead, you kill the programs, and the programs don't earn you back the whole dollar. So what I'm basically saying is, you cannot close the gap by adding programs. Or you cannot close the gap by subtracting overhead because we only generated \$1 million through programs. How could \$1 million ever cover a \$2.2 million institution?

We are prepared to go department by department to each department and show you how things add up or subtract out. Carol has the numbers. We are more than interested in having Trustees examine these numbers in detail so that we haven't modeled something that's out of line. But I'm going to tell you that \$1 million of earned revenue is never going to earn you back \$2.2 million in earned revenue. It's not going to get you there. If the gap is \$600,000, we're not going to make it back, so this institution is headed toward a significant deficit as soon as that endowment is pulled from us next year.

If we go forward with a \$400,000 endowment, we have to make up a \$600,000 gap, and I must tell you, I confess, I don't know how we can do it.

Okay, so how did we get here? Are there questions about the numbers, or would you like us to go into greater detail? We are certainly prepared. I went through my archives and you will

notice that this article says, "State not to Take Vanderbilt Tract." It's a one page handout. It happens to be from the *New York Times* on February 10, 1944. It says "used" on it, because I used it in my book. This is what it is. I kind of want to draw your attention to the last two paragraphs. I will read them, since I'd like them to go on the record. This is in essence quoting Robert Moses.

Allow me to explain. When Mr. Vanderbilt gave the estate for public use he first offered it to the Federal Government, who turned it down. Robert Moses, at that time, was the Chairman of the Long Island Parks Commission. This is what his comments were, "The Commission's objections" and by the way, if you know this date, February 10, 1944, the estate really wasn't available to be taken over for four more years or five more years. So Robert Moses leaped to the privilege of rejecting this place. He rejected it within a month of Willie K. dying. Willie K. was still warm.

"This Commission's objections, according to Mr. Moses, were that the property was too small an area, that no part of the endowment fund or income from it might be used to acquire additional land, that the tract had poor accessibility, that it consisted mostly of steep slopes 'not suitable to provide recreation areas for large numbers of people,' that highly specialized park facility and that the museum exhibits would deteriorate rapidly without large annual expenditures for maintenance leaving little or no income for park maintenance and operations."

"Further objections were that the other buildings on the property were not suitable for public park uses, that the tract was less than seven miles from Sunken Meadow State Park, where general facilities were available and that the property was subject to a life estate unless sooner terminated by the life tenant, and might not be available to the public for years. The lawyers agreed that under the terms of the will the property might not be offered to the State until years from now. The will has not been admitted to probate yet. It will come up in Suffolk County's Surrogate Court on February 28."

The line that matters the most to me is that it says large annual expenditures for maintenance leaving little or no income for park maintenance and operations. I want you to understand that Mr. Moses knew about the endowment, and he determined that the

endowment would not be sufficient for the operations of the museum. It is astonishing that we are here. I would say that it's 64 years later and now we come to the conclusion that the museum cannot depend upon the endowment, but we did get a 64 year run out of it. But the State rejected this property because it viewed that the endowment was insufficient for the purpose, and that additional funds would have to be injected.

Now it doesn't say strictly for capital improvements. It says maintenance and operations. Mr. Moses recognized that the endowment would not provide sufficient funds for the operations. It should not come as a shock that 64 years later the endowment simply still has not generated enough funds for operations. Mr. Moses told us that in '44.

The County wanted this property, and they took this property six years later and turned it into the first park. By the way, they were very proud of the property when they took it. One of the things they liked the best was the waterfront. That's just an aside. They were looking forward to having access to the beaches.

The fact that we are here saying that the endowment has finally run out of steam would be no surprise to Mr. Moses, and that's why the State didn't take it.

When you look at the will, which you should have in your folder, I'll call your attention to Page 13, the last paragraph where it says, "The parties hereto of the second, third and fourth parts covenant and agree jointly and severally that the said property will be administered by the said County of Suffolk in the State of New York and the said Suffolk County Park Commission and the said Vanderbilt Museum as and for a public park and museum and as such to be devoted in perpetuity to that use, education and enjoyment of the public subject only to such reasonable regulations and restrictions and such requirements with a view to maintenance and upkeep, including a reasonable charge for admission if deemed advisable as shall conserve said property and enhance its usefulness as such park and museum."

The words that I choose to point out to you are "in perpetuity" – 64 years of an endowment is darn near close to in perpetuity, but it isn't. The County essentially agreed that they would take care of this forever in perpetuity for the purpose as a museum,

not as a storage facility. But we are confronted with turning it into a depository for Mr. Vanderbilt's collection.

Although I am not a lawyer, and I am sure lawyers can tear this apart and say, "No, Steve, you have read this somewhat wrong," when I read it in plain English it seems as if we made a commitment to a man now passed and to his estate to uphold it. It doesn't say anywhere in here that I can find -- it does mention the endowment, but it doesn't say that you shall rely on the endowment, and it shall be your only source of operational income. In perpetuity, that was the promise. That's what I expect and I hope for.

Therefore, I requested at the meeting yesterday that the County provide tax dollars from the Operation Budget, \$800,000 to support this institution next year. I didn't ask that the County provide us \$800,000 from the principal of the endowment. Because, quite frankly, the principal of the endowment is sacrosanct to some extent. That \$800,000 committee from tax revenue would be more reliable at this juncture, and we need it. We can't live by the wild oscillations of the endowment at this juncture since it's going up \$300,000 or \$400,000 and down the next day. We need to have a reliable source of income to keep the institution afloat. I don't see how we could adjust to this kind of change in our income overnight. I'm not so sure we could do it in a year.

I don't know what I left out. I gave a lot of thought to what I was going to say. But I'm going to kind of open it up for questions at this point. Dan, you started a question, so why don't you follow through on that.

MR. OLIVIERI:

I just got this. My copy of this will is upside down and all around. I don't know how they photocopied this. I don't even know if I have the whole thing. I'm just curious if this does close, what happens to this property and to this will? Does it revert back to the estate?

DR. GITTELMAN:

Well, I don't know.

MR. OLIVIERI:

I'm not sure either.

DR. GITTELMAN:

I'm not a lawyer. I can't answer that. I can suggest that somebody would have to come in and make that claim. Does anybody have an opinion on that matter?

MR. GISH:

I would think the will would have to be examined closely to make sure that that's not going to happen. Either one of us here who has the legal means to do so or whether we have outside counsel would examine the will to make sure that that's not part of it and that it would be lost and go back to the Vanderbilts. Then the discussion would be, what happens to the endowment? Does the endowment go with the estate back to the Vanderbilts?

DR. GITTELMAN:

I think there are quite a few museum questions that rise to this. If, in fact, we are expected to squeeze \$800,000 out of \$400,000 next year, can we look ourselves in the mirror and say that we are the direct depository for Mr. Vanderbilt's possessions? Tony.

DR. PECORALE:

Our accreditation was for ten years and that was three years ago, which means that our accreditation would probably then be possibly lost.

DR. GITTELMAN:

I'm not part of the AAM.

DR. PECORALE:

But you don't have to call the AAM. Wouldn't the AAM find out about it anyway?

DR. GITTELMAN:

Well, this is not exactly a low profile situation so I think they might.

DR. PECORALE:

So then our accreditation could also be in jeopardy.

DR. GITTELMAN:

Carol was asked that question on the record in front of the Legislature, and she responded in the affirmative. I agree with Carol. I feel that once you stop functioning under your mission,

then I don't understand what accreditation means. If we no longer fulfill our mission, and our mission is not as a depository, we go back to the will. Remember what I read to you.

DR. PECORALE:

We also have a state accreditation?

MS. GHIORSI-HART:

We are chartered by New York State Department of Education, and we certainly would lose that.

DR. PECORALE:

So we are jeopardizing more than just being a depository.

DR. GITTELMAN:

Absolutely.

DR. PECORALE:

Let me just ask one other question. Do you have any idea at all as to other institutions similar to ours that the County has control over and is investing County funds relative to their upkeep?

DR. GITTELMAN:

Yes.

DR. PECORALE:

I'm thinking in particular about two of them that I am aware of. One being Sagtikos Manor.

DR. GITTELMAN:

The Maritime Museum would be another. I hope that their funding is secure. This is not us versus them.

DR. PECORALE:

I wasn't thinking us versus them. I was thinking of it in terms of there is precedent.

DR. GITTELMAN:

Well, the issue of precedent was brought up. I would reverse that comment and say that there is a contract here. There is a contract here for maintenance. There is a contract here for fulfilling a mission. It would seem to me that the precedent is reversed. They may be supporting other institutions for which

there is no contract with the estate. Here there is a contract. I would find that as more of an ethical conundrum for the County than one where there was no such agreement.

DR. PECORALE:

I noted from the article that was in the paper that the County Executive did not answer the question.

DR. GITTELMAN:

By representative he did.

DR. PECORALE:

By representative but the County Executive himself did not.

DR. GITTELMAN:

He did not.

DR. PECORALE:

Have you had any conversations with him?

DR. GITTELMAN:

Briefly.

DR. PECORALE:

I am prepared to offer a motion that we, as a Board, support your efforts in this endeavor and that there be an immediate attempt to meet with the appropriate parties at the Legislative level and at the Executive level to deal with these issues as quickly as possible.

DR. GITTELMAN:

Do I have a second?

MR. GISH:

Second.

DR. GITTELMAN:

Any discussion?

DR. ROGERS:

You've already met with them.

MS. ANKER:

You've met with them, but I was at the press event today. We saw Steve Levy, he was there. When we were together he didn't say too much.

DR. GITTELMAN:

I spoke to him.

MS. ANKER:

But I suggested to you and also to Steve to maybe sit down and meet with some of the other agencies in the County to find out, one, if there is funding in other areas, specifically the tourism department. Again, I think that's a great suggestion to find out other institutions that have been funded.

DR. PECORALE:

I never meant by my motion to limit it, but I think there has to be a conversation specifically with the County Executive because as I read what it said and my reading of both the – and this isn't the first time I've read the will – that there are some responsibilities here, and that I think that those responsibilities need to be discussed at length and in specific terms. We all expect at some point in time that the economy is going to come back and that we're going through some difficult times right now. It may be that the County has to recognize its responsibilities with respect to the operations and the maintenance of all of the artifacts and things that this museum has in perpetuity of the people in Suffolk County.

DR. GITTELMAN:

Is there any additional discussion?

MS. LEBOW:

Just a clarification. I don't know if you need a motion to have the President go to talk to the County Executive, but is your motion really that we support the endeavor to seek funding from the County so that you do not have to face closure?

DR. PECORALE:

That plus also that we as a group support our Chairman in dealing at the highest levels of our County to deal with this crisis because it certainly appears to me that we are entering into a period – I've been on this Board for a long time. I think besides Steve, I'm the second longest serving member. I can't recall a

time in the history that I have been on this Board that we have had this much of a crisis. I can see that if we were to close down this museum, that a goodly number of our specimens could be in jeopardy, as well as the property and maintenance of the property.

DR. GITTELMAN:

I just want to bring up a small detail but a huge detail, and I'm sure that Stephanie can tell you all about it. We have this amazing collection and vessels that are in screw cap jars. They are sealed with wax, and the alcohol gets out of them. It's just amazing. They have to be refilled constantly. When I came here, most of them were below the one-third level. The specimens were exposed. When the specimens are exposed, they fall apart. Just that simple little bit of maintenance, that you would never think of unless there was some professional here, has to be done or we're kidding ourselves and we're not upholding our responsibilities. I really feel that there is the maintenance issue which is a big one.

I appreciate Tony's suggestion. Quite honestly, I really need a vote of support in this because if you want to call it a sense of the Board in support of what is being done, I like to speak with one voice. If you're comfortable with that discuss it now and iron out the details. If you want to put limitations on me, I will accept them, but I certainly want to hear what you think. You have had a presentation, and we're willing to answer any questions. But quite frankly, this has been scary for the past couple of days.

DR. ROGERS:

I don't think we should put any limitations on your discussions with the County. In all these years you've handled everything here properly, as far as the Board is concerned. But you still have to sit here and look back in retrospect that the County did not create the situation. The museum didn't create the situation. We're faced with an economic situation that nobody here seems to have control over. This condition has existed at the museum from its conception. We were always leaning toward the County for some sort of support, whether it be from the endowment or they have control of the endowment; therefore, they have control of the Board. They have control of this museum, in retrospect. You could sit and say that they are responsible for whatever happens to this museum because they

really control everything. Even to the extent where the Trustees that got appointed were appointed by the Legislature.

However, I think that the purpose of this museum here, as far as I am concerned, is for education and a very necessary adjunct to what we have in our community. I think we should reach out, we are the Board, to reach out to the community, to the schools, to the public, to the television stations, asking for support from the public. If the County Executive or Legislators said we're going to close down public school X, Y, Z, everybody would raise a stink about it. This is just as important as a public school, maybe more important. I think the burden of the responsibility of this Board is to see that we take the proper steps to get the information to the public until we get the public aroused enough to take an interest in it.

A typical example of that is what has happened to Channel 13. You have a lot of support coming to Channel 13 by the public. This is not to say that the public should support the museum and the County should not support it – yes, the County should support it.

In lieu of that, if the County doesn't have the money, the County Executive has to make a choice. We may not like his choice. You have to do your job as President of this Board to see that you act in a way that you preserve the museum. But I think that this Board's responsibility is to see that we get the proper funding. We have to go out for funding to the people that need this museum, to the children that need it, to the school districts that need it because they are the people to get the benefit of it. We all get the benefit of it for the fact that our children are getting educated here. But this is where we have to go. This museum needs support, and the support is never going to come strictly from the County, and it's never strictly going to come from private industry. It has to come from everybody.

I've made several attempts here in my own little way to help to support this museum for the things that I enjoy and would like to see. This doesn't come to bear. I mean, the County doesn't recognize the fact that there is some money available for certain purposes, but they don't act on it. The whole situation seems to have dragged itself out and now you come to the standstill because the stock market went down 500 points today. We can't rely on the stock market. We have to rely on a different

operation. We have to get people interested, the schools interested, the principals of the schools interested, the school districts interested, and other educational folks to come in here and get each child for the sake of – I didn't put the numbers together, but maybe everyone could donate a quarter a year or \$1 a year or whatever it is, and I'm sure it will be sufficient money to support this museum.

DR. GITTELMAN:

Sarah.

MS. ANKER:

Following up with what you have to say, I think that's kind of the idea maybe they were having in mind is for the museum to become self-sufficient. Maybe in the past, again, I'm new so I haven't been around for a while to see how it has worked out throughout the decades, but I think some ideas as far as we had talked about having a social/fundraising committee. Again, galvanize energy, galvanize support, create more interests outside of the County, outside of the Board's committees to create more – you know, to come together and have some creative ideas.

I think another idea, too, is a partnership. When you talk about the schools and you were talking about the maintenance, has the museum ever partnered with colleges and universities as far as curating or what you used to do formerly to bring them in. Again, like, Stony Brook partners with other medical facilities. You are taking a chance because these are people who are not professionals at that point, but just a suggestion as far as –

DR. GITTELMAN:

We certainly have had interns here.

MS. ANKER:

So interns have been –

DR. GITTELMAN:

Absolutely.

MS. ANKER:

What about corporate sponsorships? Have you looked into –

DR. GITTELMAN:

Of course we have pursued corporate sponsorships.

MR. SILLMAN:

Excuse me, but can I –

DR. GITTELMAN:

Yes, go ahead, please.

MR. SILLMAN:

I think what you're saying is very nice. But it all takes time. We have a problem today. This is not about partnerships tomorrow or corporate sponsorships, that's great. What you said was great, too. I agree with you, too. If everybody in Suffolk County gave 50 cents, you'd be through the woods tomorrow.

MS. ANKER:

But the thing is –

MR. SILLMAN:

But tomorrow may not come. We have a problem today.

MS. ANKER:

But you see, that's what they want to hear. They want to hear what are we doing as a museum –

DR. GITTELMAN:

Who is they?

MS. ANKER:

The County. The County wants to know, okay, we've got some financial issues. What more can –

MR. SILLMAN:

Excuse me, I'm not sure, but what is the County's role here? I read this quote, that it was always intended that the operations should be solely from the Vanderbilt's trust income. Given it's current state of the economy, the County simply cannot afford to set a precedent.

DR. GITTELMAN:

Apparently, Mr. Moses didn't look at it that way. If you look at the will, the will doesn't look at it that way.

MR. SILLMAN:

But apparently the County looks at it that way.

DR. GITTELMAN:

Of course, the County looks at it that way because we're asking for funding. But I think that when we sit down and talk, they may start to – we have to set the dialogue. We have to talk about the issues. When it comes down to it, it can become – I think what I'm afraid of, and with all due respect to the wonderful ideas of Sarah and Bill, is that, yes, we can go to the County and say, "Put in this. Put in that. We've tried this and we've tried that." Unfortunately, I have to get this done now.

MR. SILLMAN:

That would be great if the County was going to say, "Listen, we're going to loan you an extra million dollars until you have enough time to build those bridges, but I'm not hearing anybody coming up with a million dollars.

DR. GITTELMAN:

Mike.

MR. DELUISE:

We need an immediate solution. We also need a good plan. I would suggest that if we talk to our friends in the County, an investment in the museum for now, with a plan that we, as Board, work with them, work with our neighbors, work with our corporations, work with the community to come up with a committee to look at first of all an investment. If it can be from the County right now to keep us going for the next year, just to keep it going, it's going to be –

MR. SILLMAN:

Do you mean a bail out?

MR. DELUISE:

Well, if you're going to bail out an AIG, you look at a cultural institution, a historical institution such as the Vanderbilt, and you say, "This is something worthwhile for the community," you make an investment. In our plan with the committee that we've established working with our neighbors, Carol and I met with the neighbors on Saturday. They really want to work with us to make this a better place, not only for us but for them.

Let's come up with a plan that would be hands-on, exploring what we need to do and then come up with solutions and work together. It's a two-step process. That's really what we need to do. We can't afford to talk about how we're going to go to a corporation, or build our membership right now, or solve the problem. Ultimately, that's going to be necessary. This museum over the years has to become, as we all agree, self-sufficient. We should not be at the mercy of a stock market that's going to all of a sudden do a dip or a dive. Hopefully it's going to come back and then everything is going to be great, but right now we have to look at if we're charging enough for the planetarium show. When Carol says what are expenses are, we're basically giving this wonderful facility to our schools, our neighbors, to our corporations for Long Island, to the community which raises the price of the real estate, for almost nothing. I think we all have to invest in it together and actually sit down and work on it. How many hours have we spent on Saturday on a number of projects to try to keep this tight?

When you look at our financial report, this year was a very realistic budget. We have made the museum and it should be in the black. We're doing everything we can. She's working with a staff that's half the size of the staff that we had years ago. We need other people who believe in what we're doing to invest in this museum.

We're going to hear from Budget Review tonight. Maybe there is a solution, but right now I think we have to look at somebody investing in us, believing in us, and we'll work with them. We spend a lot of time and a lot of hours on doing something that's important to us. We can talk about bringing interns in. We can talk about doing a marketing plan. We went out to the schools and came up with a beautiful set of advertising and marketing pieces for us this year. We don't have the resources to present them anyplace.

MS. ANKER:

I was going to say – that becomes valuable because you can take that, you know, what we have been doing as a museum and bring that to the Executive and the Legislature and say, "Look, this is what we're doing --"

MR. DELUISE:

Sarah, I agree with you 100 percent, but I think right now we need an investment immediately, otherwise we won't be here in January.

DR. GITTELMAN:

Susan.

MS. LEBOW:

Has anyone considered contacting the Vanderbilt family about this crisis?

DR. GITTELMAN:

Oh, I would hate to because they're probably the beneficiary who would benefit most if we go under.

MS. LEBOW:

I don't know that they want this burden. I'm not so sure.

DR. GITTELMAN:

Tony.

DR. PECORALE:

My motion is on the floor. I think that the important thing that we need right now is to have you be a spokesman for the Board with respect to the County and the County Legislators to see what can be done to get this thing moving. I hate to bring up the past, but do you remember the Blue Ribbon Panel?

DR. GITTELMAN:

Yes.

DR. PECORALE:

Some of you probably never heard of it. At that time the Blue Ribbon Panel suggested that the County also had to have direct involvement with respect to the funding, not just maintenance and things of that nature, that they also had to be involved in the overall operation with respect to this museum. That's going back 25 years. The one thing we had then and the one thing we need now is you, as our President, meeting with the proper authorities to do what needs to be done to keep us operational. And that it is not in the best interest of the County, it's not in the best interest of the museum, it's not in the best interest of the children, it's not in the best interest of the families, and I could

go on and on talking about the best interest, if this museum is not operating.

DR. GITTELMAN:

Any further discussion on that point?

DR. ROGERS:

If it were to close down, it would cost the County money.

DR. GITTELMAN:

Any other discussion?

MS. ANKER:

Do we have numbers on that, the difference between this museum being open to the public and this museum being closed?

MR. DELUISE:

We talked about that earlier.

MS. LEBOW:

You missed that part.

MS. ANKER:

I'm sorry.

DR. PECORALE:

The simple fact is that they are saying that they want to give us \$400,000 from the endowment, and we need \$1.1 million. We need \$800,000.

MS. OLDRIN-MONES:

That's just for maintenance of the buildings. Our mission statement is to educate.

DR. PECORALE:

But at least if we had \$800,000 plus the \$400,000, we would have the \$1.2 million, which would at least make us equal.

MR. GISH:

Steve, does it seem that the County is just unaware of the cuts that we've already made? Being new I know that the full-time staff – I think in 2004 you had 36, and it dropped to 26, and then I think we're now at 15. It's not like the County –

DR. GITTELMAN:

I have to explain how I view our relationship with the County. First of all, we have wonderful allies in the County. I don't really feel like we have enemies. I really don't feel that way. This is not a case of feeling that there is someone out to get us. This is a case where there are hard times.

For one, Budget Review does a phenomenal job of keeping the Legislature informed. You have one of their reports in your packet. I don't agree with everything that Budget Review does. There are some things in that packet that I'll discuss with them shortly. But the point is I feel that the County is becoming aware very quickly.

Legislator Vioria-Fisher, for example, wants to work with us tremendously. She has expressed ideas on what can be done. I know there are a number of Legislators that are cooking ideas in terms of how we can solve this problem.

It's not as if the Legislature is out to get us. I really don't feel that. I feel that I am going in there to people who are open to us. They want to know what's going on.

If you put that on one side, face it, these are tough times. On the other hand, they're talking about closing a lot of institutions. What we have to do is give a compelling argument to why we shouldn't do that to this institution. I think that's what it comes down to. I know that Budget Review is going to tell us about Vivian's suggestion. I know that Vivian discussed it with me. From where I stand, there will be different ideas, some more horrifying than others. Vivian's is rather pleasant. A horrifying one, for example, was that it was suggested that they sell Normandy Manor. When they said that, I think they knew that they tore at least two years off my life. It was a suggestion put on the floor.

Anyway, I don't feel as if I'm going into a hostile place with the Legislature. I think they understand our problem. Nobody wants to see us go under, but I think in the past two days it's been a rude awakening for everyone. I don't know if you expected to hear all this tonight. I didn't. Not last week.

I'm going to call for a vote. All in favor of the motion on the table? Opposed? It passes unanimously. **(Vote: 11/0/0/4**

Absent: Mr. D’Orazio, Mr. Swinson & Mr. Macchione. One vacant position.)

Thank you for that. Is there any other discussion on this issue before I ask Lance Reinheimer from Legislative Budget Review to come up? Okay, Lance come on up.

MR. REINHEIMER:

Thank you. I think the first thing that I’d like to make clear is that we have open communication with the Vanderbilt, with Mr. Gittelman, with Carol. We’ve been in discussion with them. I have been working on the budget for the Vanderbilt for 13 years, so I am fully aware of their past budgets, what they have been doing, programs they have tried to institute to develop site revenue, reductions of staff. We are fully aware of the steps that they have taken to reduce the budget. We have communicated that to the Legislature.

Just to make it clear, the Budget Review Office is a professional staff for the Legislature. We educate and do their technical work for budgets. Right now we’re in the middle of analyzing and putting together our recommendations for modifications to the County Executive’s Recommended Budget. It’s a very difficult time, as you all know.

A couple of things I’d like to comment on. First of all, the endowment, the \$400,000 that we anticipate the endowment to provide for the museum, is at best right now an optimistic number. The problem that you have, aside from the endowment down to \$8.6 million, is that it’s forcing the investment adviser to sell stocks and assets when the market is low to provide \$100,000 a month. You’re getting hit twice. Your assets are going down in market value, and you’re forced to sell them at the bottom.

The \$400,000 number is the status of the endowment at the end of August based on dividends and interest that would generate to provide for the museum. As we go further into this crisis of downward markets and selling assets, it’s hard that the fund would be able to provide \$400,000. That’s another hit that you’re taking.

Right before I left, I spoke to Legislator Vilorio-Fisher, and she wanted me to make it known to the Board that she is putting

forth a resolution to amend the County Executive's recommended budget. She is proposing to increase golf and marina fees by \$3. What that will do is provide \$825,000, which she would like to go toward the museum. That would be a general fund transfer to the museum.

That being said, to let you know the full Legislative process, putting in a resolution is the easy part. Finding support and getting passage is, of course, the other hurdle. It's a possibility that the County Executive could veto that. Then you would have to have the votes to override the veto. It's a long road. That's the full story for the resolution and what could happen with that. This is all part of the adoption of the 2009 County Operating Budget. As Dr. Gittelman said, there are a lot of other issues the County is wrestling with, which I'm sure you've read in the paper. But the issue here tonight is the Vanderbilt.

I'm open to any questions that anyone may have.

DR. GITTELMAN:

I have one for you. When you suggested in your latest report the \$400,000, you didn't really think we could make it by so easy. You didn't present a plan for us to make due on that \$400,000.

MR. REINHEIMER:

No, one of the recommendations we did make in the report was possibly diverting some of the hotel/motel tax to the museum. It's compatible with that legislation and the use for that money. However, the amount of money that would be provided through that is far short of what you need. Right now it would probably be in the neighborhood of \$15,000, and that would have to be a decision by the policymakers whether they would want to do that. That would require a change in how the money is distributed.

The \$400,000 was just basically saying this is what we have. If the County is not going to provide any financial support through the General Fund, then the endowment is going to only be able to provide you with \$400,000. That was based on the value of the endowment and the structure of the endowment at the end of August.

DR. GITTELMAN:

But, Lance, it's true that in the past you and I haven't agreed about what we should do about that. You have made recommendations.

MR. REINHEIMER:

Our office works for the Legislature, and we're independent. We do our independent analysis. We call the shots – call the analysis which takes us to where it takes us. We're not given a decision or a policy at the end. It's through our analysis and that's the conclusion of our analysis, which is objective. You have always said we've always been objective. It might not be the answer you're looking for, but it's been objective.

DR. GITTELMAN:

We completely agree that they are objective and their fact finding is wonderful. But we don't always agree with what the policy of it is. There is a difference between the policy and the analysis.

Another thing that came in the County Executive's proposed Budget was how we wished to handle the past, shall we say, the carried forward losses. That's what I would call them in a business structure. Let me explain this. In the year 2004-05, those of you who were with me at the museum, you might remember that there was a huge increase in heating costs and the cost of buying gasoline became prohibitive. So we suffered approximately, and this is with broad brush strokes, \$100,000 increase in our utilities over a couple of years. We also suffered approximately a loss of \$80,000 in revenue because at that juncture the schools were having trouble getting up here. We had to pay the heating bill. There were other elements that contributed to it. That created a two year period where we lost about \$180,000 a year. Again, this is with a broad brush. We have included in your packets all the years. Carol.

MS. GHIORSI-HART:

From 2000.

DR. GITTELMAN:

So we can dissect this dollar by dollar, but what happened was we had a loss in those two years of approximately \$360,000. Then subsequent to those years I think the year following that was \$50,000, and then I think we made \$20,000 and this year it

seems like we're headed toward a surplus of \$170,000. The County Executive wanted to know if we would wipe this off the books. That was their way of putting it. So he had us take care of it all this year. Therefore, he reduced the line item in our budget for 2009. He reduced the line item for professional services, which includes the security costs. He took \$360,000 out of that line. You analyzed that. You came up with your recommendations. Would you explain how you –

MR. REINHEIMER:

What we did – first of all, from the narrative in the County Executive's Budget, I believe he did that because his rationale was that he had to present a balanced budget, so he reduced your expenditures to balance out with your revenues. Being that your revenues had a deficit, he had to reduce the appropriations.

Your budget is more of a business plan that passes through the County's Operating Budget. As you know, sitting on the Board here you pass or develop and pass and adopt a budget. It's placed in the County Operating Budget. Those are non-County funds, so that it's not really appropriations in the same way that the County looks at appropriations. We looked at it and came up with an alternative way to adjust for the County Executive's reduction of appropriations. Our recommended adjustments to your budget was predicated on \$1.2 million in 2009. As I said to Dr. Gittelman the other day, it's balanced the way we did it too, but it's not reasonable to expect that you're going to get \$1.2 million from the endowment.

The point is that we're recommending that the Board look at your budget, which I know you have from the last meeting that you had, and try to figure out how to make the budget work for you in 2009. What is in the County Operating Budget and how the County Executive adjusted it, that's another situation.

DR. GITTELMAN:

It's kind of like almost another world from us. I know that I handed out Budget Review's report, and you're going to come upon this particular section. There are quite a few pages that were dedicated to this. We needed you to understand that it's almost like a separate accounting. It needs to be zeroed out, but it really does not apply directly to the way we operate the museum. Since Lance was here, I wanted him to explain that to us. Are there any other questions?

MR. REINHEIMER:

It's more of a suggestion of how to look at your budget. We're not going to modify your budget through the adoption of the County Operating Budget. We're not going to make changes to any of your lines because it's really your budget, but it is placed, if you get the County Operating Budget, which is over 1000 pages, you're in that budget. Your budget appears in there.

DR. GITTELMAN:

Believe it or not, Carol and I actually go to the County Operating Budget and zero in on those pages and go to a meeting to make sure that they know our feelings on things. But we never got there.

DR. PECORALE:

Let me see if I understand this. The Budget Review Office predicated our 2009 budget based upon the \$1.2 million.

MR. REINHEIMER:

Your budget when you submitted it to the County Executive predicated it on \$1.2 million also.

DR. PECORALE:

And that was what you put into the County Budget.

MR. REINHEIMER:

The County Executive puts your budget request like any other department, for instance the Department of Public Works, he puts your request in but in your budget there was a deficit showing. What he did in his words, in the narrative, he changed your budget so that it would be balanced. In his words, he said, "I can't present a budget that's not balanced."

DR. PECORALE:

The \$1.2 million was the amount of money that we were to receive under the endowment.

DR. GITTELMAN:

According to the budget, but not according to law.

DR. PECORALE:

I understand that. So the County Executive and Budget Review Office recognizes the fact that in order to operate this museum

at the level that it is necessary, that that budget has to include \$1.2 million coming from somewhere to meet our mission.

MR. REINHEIMER:

Yes, I think that's a good question. The short answer is yes. We know what you're doing here. We meaning the pointed headed bureaucrats that do the numbers, not the policy makers. Your budget, basically, as Dr. Gittelman said, half of your budget comes from the endowment. It would be difficult, and I talked to Carol also, that if you start closing down, ultimately as you shed programs and reduce programs, ultimately you're going to go down the road to closure. I even had a call from the County Executive's Budget Office the other day because they were looking at your August endowment and they were wondering what's going to happen as the market is going down. I said that ultimately you would have to close.

In my opinion, and this is just my opinion as a budget person looking at your budget and looking at the way the market is going, if you don't get additional funds, if you don't get an additional \$800,000 to make up that \$1.2 million, I don't see either how the museum can operate. I think it's important that Dr. Gittelman and the Board communicates to the County that by closing there are costs involved with that, and the endowment can't cover all those costs. I haven't looked at the analysis that was presented today. I would like, if you could provide us with that, so that we're prepared to answer those questions and we can independently look at those numbers and see independently what our analysis tells us to say if the museum were to close, that there are costs associated that would be, I guess, the responsibility of somebody.

DR. GITTELMAN:

That would be reasonable for us to sit down with your office and put on our pointy headed caps and let's hammer out what we feel is going to be reasonable.

MR. REINHEIMER:

Well, our office has always worked with you. That's a positive step, sure.

DR. GITTELMAN:

It's one of the steps that Carol and I would like to take in the very near term because I think that although Carol worked hard

to put these numbers together, they were done very quickly. But it would be very good to have to have Budget Review's advice on those numbers. We're not nervous about that at all.

DR. PECORALE:

Isn't that what our motion is asking to occur?

DR. GITTELMAN:

That motion would give us the latitude to do that, yes, because I have never done that.

DR. PECORALE:

I just want to be sure that we have given you that latitude.

DR. GITTELMAN:

We have never gone to Budget Review and asked for their advice on our budget. We have always submitted a budget and then they give us their criticism, and we would go from there.

MR. REINHEIMER:

I think if you're doing an analysis on what it would cost to run the museum closed, we can do that. I think it's important to provide the information to us so that we can look at the numbers independently.

MS. ANKER:

What were the numbers? What was the difference between the museum being opened to the public and the museum closed to the public?

DR. GITTELMAN:

We estimated that in the first year because there would be certain unemployment costs, that it would cost approximately \$800,000 if we were closed. We would do certain necessary functions and we would receive approximately \$400,000, and that we spend \$800,000 in the first year and we would have a \$400,000 deficit in the first year. We estimate that at a closed institution we would probably suffer another \$200,000 the second year. After two years of being closed, we would have a \$600,000 gap. I want to explain to you that the \$400,000 gap in the first year comes halfway toward the \$800,000 we're asking for, but it would be great if Budget Review would look at our numbers and help us build a sense of comfort with those numbers.

Elizabeth, what a horrible meeting for you to join us for the first time.

MS. KAPLAN:

It's my first meeting, but it won't be my last.

DR. GITTELMAN:

We are not so rude as to not introduce a new Trustee. It's a shame that you had to come here in the middle of a firefight.

MS. KAPLAN:

That's quite all right, but I have a question, and after I ask my question, you may ask me to leave. Nowhere here, and I have not had a lot of time to look through this, but I don't see who was managing this endowment. Is it the Bank of America? Who is it?

MR. REINHEIMER:

Yes, Bank of America.

MS. KAPLAN:

Okay, so the Bank of America is allowed to buy and sell within the endowment or are they fixed –

MR. REINHEIMER:

The County selected – actually it started with Fleet Bank through an RFP process, an extensive process. It was Bessemer, but by RFP we changed to Fleet –

MS. KAPLAN:

Just to cut to the chase, a year ago in October 2007, and I am not a great financial genius, but I was reading that it would be a good time to put everything into fixed income and to sell your stocks, get out of the mutual funds and put everything into fixed treasury bills, etc. Did the people at the Bank of America read what I read? I'm just wondering why it was allowed to slide so much.

DR. GITTELMAN:

Let me answer this. The Bank of America was given guidelines. The guidelines allowed them to originally --

MS. KAPLAN:

Do you mean by the Vanderbilt will?

DR. GITTELMAN:

The County, I believe, by the Legislature, and I'm not sure if the County Executive has any say in that.

MR. REINHEIMER:

No, the Legislature has fiduciary responsibility for the endowment. By resolution what we did is we set an objective criteria for our investment adviser to manage the fund under. That objective included to provide income and capital appreciation, which are two mutually exclusive directions. We needed as much income and revenue from the account; at the same time we tried to grow the account to provide for future needs.

MS. KAPLAN:

That's fine in a up market. When you see a down market coming, it might be a good time to say, "Let's forget about growth appreciation. Let's just talk about capital preservation.

MR. REINHEIMER:

The problem is that at the same time the endowment was required to remit \$100,000 to the museum per month, there were income needs that were greater than the fund could generate through fixed securities. The way to manage most endowments is to go 60/40, 60 in equities and 40 in fixed assets, and to provide for future growth and inflation for future revenue needs. Our fund, we set the objective at 50/50. I think years ago it was a little bit more conservative. So 50 stocks/50 bonds is what it was. That's what they were managing it under.

DR. GITTELMAN:

But, Elizabeth, you're putting in a really interesting juncture. I think this has to come out in our discussions. Why are we here? What happened? How did we end up where we relied so heavily on an endowment to yield 10 percent on \$12 million? That was the threshold number. In other words, what happened in a conversation at one time in front of the Legislature was that investment counsel said that they needed \$12 million to yield to us \$1.2 million, which is a 10 percent yield. Why? Why are we here still looking for 10 percent yield, which obviously puts a strain on investment counsel to yield that 10 percent last year, just like you're describing. Why didn't we retrieve from that particular posture?

MS. KAPLAN:

That's my question. Is there anybody on this Board whose job it is to do that, to oversee what the Bank of America is doing?

DR. GITTELMAN:

Here's the story. The Bank of America is overseen by the Legislature. It's not our prerogative. We have no say of what they do. But I will say this. Every year I went back to the Legislature and asked for \$1.2 million. Every year I submitted a bill and asked for \$1.2 million. Emanating from us was a request. Why did we make the request? Why didn't we wean away from the \$1.2 million? Wasn't there a plan in place? We needed the \$1.2 million, but wasn't there a long-range plan that was in place that would have mitigated that? There was.

What it really comes down to was that, and again in broad brush strokes in terms of dates, in 2000 or 2001, I believe, Bill Rogers offered to give the museum \$1 million. The County agreed, and this is broad strokes, we could give you all the resolutions that are involved, but they agreed to develop the waterfront. They agreed to do so within three years, again, using broad strokes, let's say from 2000 to 2003. So what happens is that the legislation is passed, the funding is put in place, the plans are bandied about, we take the storyboards in, and we have a dream on the table. We were thinking boardwalks, the boathouse connecting to the seaplane hangar. The seaplane hangar, if you walk there today, there is 800 feet extending south toward Northport. We even have a DEC permit so that we can someday add the dock, Mr. Vanderbilt's original dock.

What it is is that we are building a third leg for the table. We have a planetarium, we have the grounds and the historic house, and now we're going to have a waterfront, just as the County envisioned when they took the property. They didn't envision the planetarium, but they envisioned the waterfront. So we, as a Board, were speaking to the County about needing \$1.2 million or it was \$1 million in the beginning and it became \$1.2 million a year, but our reliance on this is going to be diminished by the opening of the waterfront, right? They appropriated the funds to do so. It was in the budget and remains there unspent. It's not as if there wasn't a plan in place for us to mitigate our reliance on the endowment. It's that the plan never occurred.

To this day, Bill Rogers has contributed – again, broad strokes, approximately \$300,000 of the \$1 million that he promised, but the County has not rehabilitated the seaplane hangar. They're just about to begin doing the boardwalk. Had they come into place – they're never on schedule; nothing happens on schedule seemingly. It's two years late. We then would have had in 2005 three years.

I know Lance and I would argue about what the income would be, but I think it's fair to say there would be increased income in the institution. We would have a place that although there was eventually a problem in terms of plumbing and waste removal, which we didn't anticipate, we would have had a venue for special events and we have, I suspect, in the audience some neighbors who have a problem with our special events. We would have had a venue for our special events. It would have been a wonderful venue to go down to the seaplane hangar. It's all glass on the front. We would have had a boardwalk for you to walk on. We would have drawn more people in here. If that generated \$200,000 or \$300,000 a year, then today we would say there would be perhaps three times \$300,000. So it would be \$900,000 more in the endowment because we wouldn't have spent it. Perhaps we would only need \$800,000 or \$900,000 from the endowment in the first place. That's the story of how we got here. It's all in the records, it's all funded and it still unspent.

DR. ROGERS:

To put it in a very simple way, we had attempted to generate our own dollars because of the facility's improvement. The facility's improvements could be done by the County. The County never did this. Therefore, we were not able to generate any additional revenues. That brings us to where we are today. We do not have the ability to generate anymore revenue now than we were able to two or three years ago. We don't have the dinosaur exhibit. We don't have the boardwalk. We don't have other places where the public can come to and pay admission or whatever fees they have to pay to enjoy the place. We're left in a position where we cannot generate anymore dollars and now the stock market has dropped down on us. The County is very responsible for what has happened.

DR. PECORALE:

That is the story that a lot of people don't know.

MR. REINHEIMER:

I'd like to add just one thing on the endowment. It's our responsibility and the Legislature's responsibility to monitor and to analyze the endowment. For the past eight years we've been saying that the distribution of \$1.2 million is more than the endowment can support. We have been saying that for about eight years because long term in the stock market, you get an eight percent return. If you have a mixture of equities and stock, you get a return somewhat less than that. I have done the analysis of the endowment, excluding this time and up to the point when probably three years ago you were getting about an eight percent return over a ten-year period. The fund for the past three years has been around \$12 million. A ten percent distribution in time, it just can't do it because the stock market has its ups and its downs. The value of the fund was up to seventeen or \$18 million in August of 2000. From that point -- that was the high point I think probably in the history of the fund.

The other part, though, if during that period of time between 2000 and 2008, it's also remitted \$8 million to the museum. It's been able for a long period of time to sustain that \$1.2 million.

DR. GITTELMAN:

Lance, I've been there every time you said this. I'm not trying to cut him off, okay. Do you remember me being there each time?

MR. REINHEIMER:

Yes.

DR. GITTELMAN:

This is déjà vu all over again. Each time, what would I say? I'll tell you what I would say and you tell them if it's true. I would say I don't want any County money.

MR. REINHEIMER:

That's correct. But I just want to talk about the full picture. We have been watching it. It wasn't like this came out of nowhere. It wasn't that nobody was saying anything, as far as the ability of the endowment to continue this distribution. This started in 1995 to use realized capital gains. Prior to that point in time, they used just income, interest and dividends. They could do that because the interest at that time was high. As interest

rates dropped and the museum still needed a certain amount of money from the fund, the Legislature agreed to use realized capital gains, so far as we don't invade the corpus, which is the \$8.2 million.

DR. GITTELMAN:

But I need – this is why I would always get impatient, and I would always say, “So give us the waterfront.” Wouldn't that be my argument every time? Would you please build the waterfront? We don't want County dollars. We just want what you promised. Right?

MR. REINHEIMER:

Right.

DR. GITTELMAN:

Every time, every year, the same debate. Every time and each time we would plead for the waterfront, we would wait and it wouldn't come. So what it was was that they were giving the warning. We were begging for the solution, and it didn't happen, and they promised.

Yes, Sarah.

MS. ANKER:

Where is that money right now? What account? Where is that?

MR. REINHEIMER:

The endowment fund?

DR. GITTELMAN:

No, the money that was promised us. The waterfront money.

MR. REINHEIMER:

That's in the Capital Program. That's been appropriated, and it's in the Capital Program, which is the Capital Budget. Those appropriations don't expire. Like an Operating Budget appropriations expire. You can't use appropriations from 2008 in 2009. But for the Capital Program, those legal rights to spend that money expands –

DR. GITTELMAN:

So the money is still there.

MR. REINHEIMER:

It's not cash. It's appropriations. There is a difference between cash and appropriations. The County does, when they go forward with the Capital Program, they go out and bond the money as they need it. No, the money is not sitting in a bucket someplace. It's the legal right to spend that money.

DR. GITTELMAN:

But you remember those resolutions.

MS. ANKER:

How long can it stay there?

MR. REINHEIMER:

Once the money is appropriated, there is a five year time that if funds are not used or the project is not – I guess the project doesn't start is a better way to put it – and no funds have been accessed, then they expire. They would have to be reappropriated.

DR. GITTELMAN:

But you just opened up another subject. Once the money is appropriated, it can sunset.

MR. REINHEIMER:

Five years.

DR. GITTELMAN:

Five years.

MS. KAPLAN:

Is that what they're hoping will happen?

MR. REINHEIMER:

No --

DR. GITTELMAN:

We just had the planning money for the Goto projector, \$100,000 sunset. It evaporated. We need that planning money. We had the money appropriated to purchase the projectors, and the planning money evaporated. I guess we should have been tracking it or something, but I got a call from Carol and I wouldn't have known if we didn't hear from Budget Review with 12 minutes notice.

MR. REINHEIMER:

There is a resolution to formally strike those appropriations, but legally they couldn't access those appropriations anyway. They were appropriated I think in the year 2000. It should have been done three years ago. There is another resolution to reappropriate the \$100,000 for planning. That's been laid on the table. That will be considered at the next regular meeting of the Legislature.

DR. GITTELMAN:

Was that last week's panic? I'm just trying to remember. That was last week's crisis. Oh, now we're on this week's crisis. I want you to understand what it's like. If there's \$100,000 we're going in there and our jaws are dropping because maybe we missed a beat. We didn't realize it was going to sunset. We missed it. We were told. I had 12 minutes. I have to be honest with you. I was wearing jeans and driving right past the building and I gave up. I wasn't going to go in there screaming and yelling saying, "You can't do this." I went to my office instead. Well, the \$100,000 of planning money for the Goto projector, which we so desperately need – we only have two legs to the table. Pretty soon we're going to be a monopod here. That \$100,000 evaporated, so then now we have to go out and get somebody to kindly put it back. That's legislation that's going to get reappropriated, right?

MR. REINHEIMER:

Yes, there is legislation that's been laid on the table.

DR. GITTELMAN:

So you go and plead and you lobby and you ask, and they put it back and then this is this week; that was last week. I guess it's too old to talk to you about.

DR. ROGERS:

But after they put it back into the Capital Budget, you're first supposed to get it out of the Capital Budget to use it.

DR. GITTELMAN:

In this particular case, once it's in there I think we'll get it, but the problem is and which you don't understand is that that was the crisis of last week. This is the crisis of this week.

MS. ANKER:

Is there a liaison between the Legislature and the museum?

MS. GHIORSI-HART:

Vivian.

MS. ANKER:

Is there an aide that comes to the meetings?

DR. GITTELMAN:

There are a lot of committees. There is a lot going on. We have aides that will call us and tell us – and Jon Cooper’s office is very helpful, as well as Vivian’s office. There is a history of Legislators who are very helpful, but it can get by them, too. I think it gets by them. They are not thinking of us at every moment. In fact, when we went to the hearing, which was the panic of last week, everybody looked at me and said, “You’re kidding. You needed that money?” It wasn’t that they were being malicious; it’s just that they really weren’t clear on what the issue was. They thought it was money that we just weren’t going to use, right?

MR. REINHEIMER:

The five years ran out. It’s basically a housekeeping resolution that strikes those appropriations.

DR. GITTELMAN:

There is nothing malicious there. It’s just what happens. Remember, we are not part of County Government. I am not a full-time member of the staff. To get in there and keep track of this is a nightmare, but that was last week.

MS. ANKER:

But you would think they would have someone –

DR. GITTELMAN:

But it’s not their concern if we’re not proactive enough to track our own stuff.

DR. PECORALE:

Let’s just make sure everyone understands this. When did our people go to Germany and to Japan to look at the projectors so that we knew where we were heading with respect to the planning? How many years ago was that?

MR. OLIVIERI:

Two or three years ago.

MS. GHIORSI-HART:

Two years ago.

DR. PECORALE:

So far this thing has been delayed a total of approximately eight years. I can remember talking about the planetarium, that we needed a new projector badly.

DR. GITTELMAN:

Okay, are there any other questions for Lance?

MR. OLIVIERI:

Is there a pile of money sitting somewhere in the middle of the County that we can tap into that you might know about?

MR. REINHEIMER:

From the discussions with the Legislature, I don't think there's a pile of money anywhere. The County Operating Budget – I've been in this office for 19 years. This is probably one of the most difficult budgets that I have seen. We are being hit from all sides. We depend on sales tax. Sales tax this year is coming in what we expected it to be, but sales tax usually comes in in a positive number. We usually have growth every year. To be prudent, we don't anticipate sales tax going up next year, possibly. The budget assumes a 2 percent increase in sales tax. We hope that that comes in, but sales tax on top of everything else, we're facing the same problems as other museums and other cultural institutions. Corporate money is drying up. Your sources of revenue are drying up.

DR. PECORALE:

How are they on the money for the sale of homes where they get the –

MR. REINHEIMER:

That's the villages and towns. That is down tremendously. Village and towns get the mortgage tax.

DR. PECORALE:

Doesn't the County get a part of that?

MR. REINHEIMER:

No.

DR. ROGERS:

I made an honest commitment to the museum. I made it on the basis that the County would provide certain money and that money was never made available. So far the County has done none of this. We have consumed part of that money for other purposes than it was intended. I made a pledge. I certainly don't want to go back on the pledge, but I certainly don't want to see this money dribble away either in operating expenses or things of that nature. I am in a state of confusion here. I don't know whether I should withdraw my pledge or see if something can be done. I would like to see the museum go forward. I certainly didn't expect to come to a meeting and sit down and hear, "Look, it's a possibility that the museum is going to close down." I just wanted to make that statement to the Board to make them know my feelings. I think Legislators should be made to understand that not only are they giving up what it's going to cost them to operate the museum, but they're also going to be possibly giving up my intentions of pledging x-number of dollars.

DR. GITTELMAN:

Sarah.

MS. ANKER:

How likely – and I don't know if you would know this – the tax that Vivian suggested with the –

MR. REINHEIMER:

In the resolution she asked us to write up for her, she's proposing to increase golf fees \$3 and marine fees \$3. Based on our analysis, that would generate about \$825,000. That new revenue source -- she wants a General Fund transfer to the museum. The likelihood – I've given up guessing what the Legislature will do because I'm usually wrong, but I think to understand the dynamics of things, she has to get support for that. I don't know if she does. That's not my job to know that. That's her hurdle to get that resolution passed. The second hurdle is to have the County Executive sign it. If he vetoes it,

she needs twelve votes to override the veto. It's a difficult process.

MS. ANKER:

I think that would be a very good reason to have to sit down with Vivian and –

MR. GISH:

If, let's say, pie in the sky, the additional \$3 for golf and marina goes through, everyone is smiling, when would that money be available?

MR. REINHEIMER:

That starts in January 2009. How it's remitted, the mechanism for that – it would be in the budget for 2009 starting in January.

MR. GISH:

So there would be appropriations monthly based on what you would expect to bring in during the year.

MR. REINHEIMER:

Not necessarily. It wouldn't be contingent on how the revenue flows. I'm hesitating because it's an unusual situation. Within the County budget, once the budget is adopted, we have different funds within the County and there are inter-fund transfers. Those are usually done in full sort of in the beginning of the year. In this case, I don't know. Going to outside the County, I don't know how they would do it, if they would do it monthly. If we get to that point, that's an easy discussion. Getting to that part is the hard part.

DR. GITTELMAN:

Any other questions for Lance? Thanks, Lance. I promised that we will go through this and then we would ask members of the audience if they would like to speak. That's where we're at right now. Everyone thought this was going to be a quick meeting. I don't think so. Is there anybody who wishes to speak to the Board? We'll go on with our regular agenda. Can I have a motion to approve the minutes?

MR. DELUISE:

Motion.

MS. OLDRIN-MONES:

I'll second it, but there was just one small change. On page 18, instead of "gold" carts, it should be "golf" carts. Although it's unfortunate that they are not gold carts.

DR. GITTELMAN:

Elizabeth has to leave. Thank you so much for joining us this evening. We apologize that we were not more cordial toward you.

MS. KAPLAN:

That's quite all right. I'm sorry I have to leave. This is my husband. He'd like to say a few words.

MR. KAPLAN:

From my own observation as an outsider is that I believe you should forget about closing the place, that's number one. Number two, go after as much as you can from your executives, politically or otherwise, but the best way you can. Number three, you should have an income budget on how to raise \$400,000 or \$800,000. Have a monthly budget putting down those figures and how much reach for each one of those figures. If you're short, you're short, but you're living for a year. Next year you do the same thing. Treat it as if you're on a five-year program. But in the five years, if you work at it, if everybody works at it, just like this gentleman said, you have to get people involved. You tried ways; I understand that, like the waterfront, but there are other things that you can come up with to raise funds from executives and people who live in the area, from mailings – there are a million ways. I get them every day.

Those are my own observations. Not knowing the group, your assets break down those liabilities. Whether you can rent, not rent, whoever owns the property, all of that, which I listened to and heard, who your attorney is, so that he can represent you properly. Apparently for 64 years, although everybody has worked at it, you made no progress. It's not a negative thought; it's just that's the way it is. We live in Stony Brook by the museum. There is an association who has started much later than this organization, and they grow every year. They don't just look for donations from the County or the State or whatever. They have local people who help make donations, like people who pass away contribute 5 shares of stock or things that they have. Those are my own comments. I think instead of

thinking negatively, you should think more positively. The County stayed here. You may be closing. You may think otherwise. Anyway, thank you.

DR. GITTELMAN:

Thank you. We had a motion and a second to approve the minutes. All in favor of the motion on the table? Opposed? It passes unanimously. **(Vote: 11/0/0/4 Absent: Mr. D'Orazio, Mr. Swinson & Mr. Macchione. One vacant position.)**

Public Relations Report, Todd Shapiro is not here any longer.

Finance Committee, Michael.

MR. DELUISE:

We have talked a lot about our finances. If you look at your Treasurer's Report you will see that we are moving in a positive direction. But there are a lot of other challenges we have that we have talked about. I think that's all been explained to you. That's pretty much my report.

MS. GHIORSI-HART:

I just want to point out that September was below our projections for the month mostly because our gala was supposed to be in September and that's where we budgeted the revenue, in September. The gala was in October. Although the revenue will be in October, by the end of October you will see those two months, September and October.

MR. DELUISE:

It was about \$170,000 that we're looking for from here.

MS. GHIORSI-HART:

So you'll see a huge increase in October. That's why we fell short from what we thought we would be.

DR. GITTELMAN:

Any questions? Audit Committee, Dan.

MR. OLIVIERI:

We have our audit draft. It's been approved by the committee. We passed it around so that all the Trustees could take a look

via email. Does anyone have any comments on it? I'll make a motion that we approve the audit as presented by our auditors.

MS. OLDRIN-MONES:

Second.

DR. GITTELMAN:

The Treasurer and the President have to abstain. All in favor? Opposed? **(Vote: 8/0/2/5 Abstained: Dr. Gittelman & Mr. Deluise. Not Present: Ms. Kaplan. Absent: Mr. Macchione, Mr. Swinson & Mr. D'Orazio. One vacant position.)**

MS. GHIORSI-HART:

I'll also just note that the auditors are in the middle of the 2007 audit, as we speak. That has started.

DR. GITTELMAN:

Development Committee, David is not here. David did call me. His wife and daughter were ill. Buildings and Grounds, Carol.

MS. GHIORSI-HART:

There has been a lot of work in the last month on our grounds. We took a few weeks to really look at all our trees. We had a number of dead trees. Many of them are now gone. We rented a lift to deal with a lot of overhanging limbs, fixing gutters, and so on. There has been a lot of work. Staff has been working overtime really hard to make the most sufficient use of that equipment.

I just want to run through the status of a few of our Capital Projects. The waterfront project, the drawing specifications, final construction from the consultant is in. There is some other paperwork that needs to be done. We still feel that there will be bids awarded in the winter, and we do still expect construction from the waterfront to start in the spring. The seaplane hangar drawings were supposed to come in. The consultant didn't submit the final construction estimate and specifications. The October bid we hoped for on that is now unlikely. Still I am told winter bids are likely, and they do expect to start construction in the spring.

DR. GITTELMAN:

Tony.

DR. PECORALE:

I just want to make sure I heard this correctly. The specifications and the plans are done by the County?

MS. GHIORSI-HART:

They are reviewing the drawings now. They are waiting for the final construction estimates.

DR. PECORALE:

Do we have copies of them?

MS. GHIORSI-HART:

Not yet.

DR. PECORALE:

When you get copies, will you inform the Board so that we come up and take a look at them?

MS. GHIORSI-HART:

Sure. Normandy Manor, we are hoping for some planning money. There is much needed work on windows and roofs and gutters that we're expecting to be part of the Capital Program for next year. We have a number of other Capital Projects at different phases moving along. We have a total of 15 Capital Projects. A resolution was submitted to offset some money for the restoration of the boathouse. As you know, that was closed on an emergency basis in the late spring. We are hoping that the resolution will go through so that those emergency repairs can be done before winter. We will have to wait on that.

DR. PECORALE:

Carol, is that just for the boathouse, or is that also for the roadway going into the manor?

MS. GHIORSI-HART:

That's just the boathouse.

DR. PECORALE:

What about the manor, the road going over into the manor?

MS. GHIORSI-HART:

That's a different – we don't have a Capital Project now that is dealing with the road to the manor.

DR. PECORALE:

Nothing has been done with that?

MS. GHIORSI-HART:

Not to Normandy Manor, no. We still have our bell tower which is of concern. Façade money is going to be going toward that. We have had a number of different engineers and consultants looking at that. They are still waiting on the final work from the consultant and drawings. We do not yet have a start date for the construction on that, but we hope that will happen in November.

I have two resolutions for funding for ADA improvements and for Normandy Manor planning money, as well as the emergency resolution for the boathouse. They have not been laid on the table yet, but hopefully they will be going forward.

The Goto projector, we now have to get that resolution for the planning money through, but there is an RFP that has been prepared and has been making its rounds through DPW to get review and for a design consultant waiver. Once the waiver is approved, the RFP can go out. The timing should be all right. The RFP can't go out until the resolution is approved, so we might have lost a few weeks, but we expect that RFP to go out as soon as the resolution comes through. Then we're on our way. That's really the beginning of the project.

MS. ANKER:

Can I ask a question about the projector? Again, is there money put aside there for that projector?

MS. GHIORSI-HART:

There is \$100,000 –

MS. ANKER:

There is \$100,000 that we're going to ask for again because it had already sunset, right?

DR. GITTELMAN:

Correct.

MS. ANKER:

Then how much more money for that projector is available?

MS. GHIORSI-HART:

There is \$2.9 million that has been appropriated for the construction.

MS. ANKER:

And how quickly can we get that \$2.9 million once the plans are approved?

MS. GHIORSI-HART:

The money is there as soon as we need it, it's available.

MS. ANKER:

Is the projector constructed, where it just has to get moved in here?

MS. GHIORSI-HART:

No, there is going to be a year from the time that we place the order. There is still a lengthy RFP process and evaluation that we have to go through.

DR. PECORALE:

There's bidding.

MS. GHIORSI-HART:

Yes, there's bidding. There's a long process until we place the order.

DR. PECORALE:

It's not just the Goto projector. It's the sound system. It's the whole –

MS. GHIORSI-HART:

It's about six different systems. I'm optimistic for December '09, but maybe three months later.

DR. PECORALE:

I'm sorry, but there is something bothering me, and I need to ask a question. At this stage of the game, we have had no movement on what kinds of things have to be done to the roadway going into the mansion.

MS. GHIORSI-HART:

To Normandy Manor?

DR. PECORALE:

Right.

DR. GITTELMAN:

The mansion or the manor?

DR. PECORALE:

The mansion.

DR. GITTELMAN:

No.

DR. PECORALE:

Because the reason that the people from Cornell had to leave was because –

MS. GHIORSI-HART:

Oh, the bridge.

DR. GITTELMAN:

Normandy Manor is the building across the street. You're talking about the mansion.

MS. GHIORSI-HART:

The bridge is another one of our emergency projects. We do have Capital funding in place for 2010. We will have to put a resolution forward at that time. That was kept in the Capital Program so that will happen in 2010.

DR. PECORALE:

So we still have a situation whereby we're not really supposed to be having cars go over the bridge.

MS. GHIORSI-HART:

No. It was determined that we can have cars go over the bridge as long as they are underneath nine tons and only have two axles.

DR. PECORALE:

Okay, so that's been changed.

MS. GHIORSI-HART:

There was a period of time where until the engineers came in, that we weren't letting anyone go over. We got the engineer's report. There still needs work to be done, but we're able to function. That's a brief summary of where we are with some of our projects.

DR. GITTELMAN:

If there aren't any questions, we'll go to Education and Exhibits, Gretchen.

MS. OLDRIN-MONES:

The Education and Exhibits Committee is going to meet November 6. Two of our new Trustees, Noel Gish and Elizabeth Kaplan, have graciously volunteered to be on the committee. Their experience and expertise are welcome.

As you know, we have had ongoing centennial celebrations and lots of what's going on has been covered in the newspapers. Just in case you haven't read it on your own, I'm going to pass around two articles. One is from the *New York Times* from October 12, "A Hundred Year Old Dream, a Road Just for Cars." If you haven't read it, you can take a copy. Along with that article, the *Times* had a whole series of photos, most of them from Howard Kroplick's book.

Then in *Newsday* on Sunday there was an article, "A Road to History, the Long Island Motor Parkway 100 Years Later." You'll probably need a magnifying glass to read it, but we'll pass that around.

I would like to thank staff for all their extra efforts, for their brainstorming, for hanging in there, for their creative ideas, and for all of their help to address these financial difficulties we're in.

Finally, I would like to thank Carol, and David is not here, and everyone else who helped make the gala in the courtyard such a success. We really appreciate your help.

DR. GITTELMAN:

Any questions or comments on that report? Michael?

MR. DELUISE:

I'll keep this brief. The Community Committee met over the weekend with our neighbors who were very supportive and very interested in working with us. We suggested, and I think we will continue this, working with some of our community representatives to look at partnerships to see how we can build not only the museum for the community outside the neighborhood but to see if our neighbors can help us by introducing us to people and work very closely with us. Carol, I thought that was a very good meeting. The people that live in the area, again, are wonderful Long Islanders who we are really looking forward to working with. Any questions? Are any of the neighbors still here?

Our Personnel Committee-- can our Human Resource person come up? Do you wish to make a report?

MS. FOLGER:

If anyone has any questions, I'll be happy to answer them.

MR. DELUISE:

We were going to talk a little bit about the ideas that we had on condensing and working on security.

MS. GHIORSI-HART:

Security is something we really do want to talk about.

MR. DELUISE:

Do we want to talk about that now? What we're doing is looking at, again, even before this week's effect on the stock market when the endowment dropped, is how we can continue to hold and maintain costs but also realize that we have a staff that is half the size that it was a few years ago. Everybody is doing three or four times the amount of work. How can we compensate those people? How can we look at recognizing the value that they're adding to the museum? Do you think that's a discussion that we should address at the next meeting?

MS. GHIORSI-HART:

One of the things we discussed, and Jana Folger our Human Resource person, has been looking closely at our security issue. It's an area that's been pointed out by the County Executive and BRO. We have been reevaluating this. I put forth a few months back that we should consider opening up to other firms. We had

met with many other firms. We had some other problems in looking very closely at our finances and talking in depth with Jana. I think we have put together a proposal where the Vanderbilt Museum would take back control of security. Jana would be chief of that security. She's been researching it and has gotten some training, so we've put together a proposal. We do believe that we can save significant funds if we take it back. We also believe the services, to our visitors and to the staff, would be greatly improved.

MR. DELUISE:

We looked at a savings of about \$80,000.

MS. GHIORSI-HART:

Yes, I don't know if that's something that we need for the committee to discuss or if –

DR. GITTELMAN:

As far as I'm concerned, I think I reflect the Board's opinion that you should make the decision necessary to move forward. Does anybody disagree with that?

MS. LEBOW:

No.

DR. PECORALE:

That's always been the Executive Director's prerogative.

DR. GITTELMAN:

That's right.

MR. DELUISE:

In fact, that brings me to my next report. We were talking about reviewing the Acting Director. One of the suggestions that the committee has is that Carol Hart has been our Acting Director as we search for a Director. These are trying times for the museum. My opinion and the opinion of the committee is that Carol is doing a yeoman's job, really helping us move forward. It might even be a little difficult to have the museum run by an Acting Director. Our suggestion is right now, we're not talking about compensation at this time, because we just don't have it, but to really re-evaluate her title. I'd like to make a motion tonight that we name Carol Hart as the Executive Director of the Suffolk County Vanderbilt Museum. I think that

will serve a purpose, not only of the museum but to let the people who are working with her, she is negotiating with the people in government and corporations and even with the community here, that she is the woman in charge.

DR. PECORALE:

I second that.

DR. GITTELMAN:

We had a motion and a second to approve. All in favor of the motion on the table? Opposed? It passes unanimously. **(Vote: 9/0/0/6 Not Present: Ms. Kaplan & Mr. Sillman. Absent: Mr. D’Orazio, Mr. Swinson & Mr. Macchione. One vacant position.)**

MR. GISH:

That was the decision of the committee. They had us come in on Saturday to sort of hash that out. We actually broached that topic with Carol. In fact, I think I brought up the comment saying that we could give her the title but no money. I felt kind of bad about saying that, but that was before this week. Carol agreed with that. I felt at that stage, the committee kind of agreed that, number one, we needed someone with an Executive Director label to act in this particular situation. Two, she’s been doing the job, at least give her the title.

MR. DELUISE:

Carol, do you still want it? We don’t have enough money to get business cards. You’ll have to scratch out the word “Acting.”

DR. GITTELMAN:

I’ll pay for Carol’s business cards.

MS. GHIORSI-HART:

Yes, I still do want the job.

DR. GITTELMAN:

Then I will call it to vote. All in favor of the motion on the table? Opposed? It passes unanimously. **(Vote: 9/0/0/6 Not Present: Ms. Kaplan & Mr. Sillman. Absent: Mr. D’Orazio, Mr. Swinson & Mr. Macchione. One vacant position.)**

MS. ANKER:

Can I ask one more question? Regarding the security question, what is the security under? Is it under maintenance?

MS. GHIORSI-HART:

No, professional services.

DR. GITTELMAN:

Okay, now we'll go to the Nominating Committee.

MR. OLIVIERI:

We had discussions to find out what they are interested in – as far as staying officers or to see if anyone wanted to volunteer. We should have a slate for everyone for the next meeting.

DR. PECORALE:

That will be at our November meeting?

DR. GITTELMAN:

Yes.

DR. GITTELMAN:

It's no longer the Interim Director's Report. There is an error on the agenda. It should say the Director's Report. Carol.

MS. GHIORSI-HART:

Before I go forward we do have some of our wonderful staff here. I would like for them to introduce themselves, just to briefly go over some of the responsibilities they have. I have to say when we're entering a truly trying time that without the dedication and staff willing to consistently go above and beyond and be supportive and help each other, we would be in a much worse situation. I would like to point out that they are here tonight not because they are worried about losing their jobs, as some people suggested. It's because they love the institution. If they were just here because they were worried about losing their jobs, they wouldn't be here because they don't make enough money. They are here because they love the place. Their concern is because we would hate to see such a wonderful treasure close down. Maybe we could just start with Jana. Jana Folger is one of our newer staff members.

MS. FOLGER:

I have been here about two years. I am the Risk Manager. It's great to be here. Everybody has been very supportive.

As far as the security situation, about a month ago right before the last meeting, we had constant comments between the staff

and complaints about the existing security. The reason to tackle this had nothing, at that time, to do with finances. It had to do with how we were going to improve a real problem area. Our whole staff has come in. They are frustrated with it. Out of that came solutions for customer service, at that point. Then when it became more of an issue of dealing with the situation on a fiscal level, we dove into that. I think that's just kind of indicative to what happened. Everybody really does want to see the museum doing well and improving. On our end, it's not – it is about fiscal issues, but it's really a love of the museum.

DR. GITTELMAN:

Do you think there is some chance that all the volunteers of this Board feel the same way you do?

MS. FOLGER:

I'm sure they do.

MS. GHIORSI-HART:

Who is next? Barbara, come on up.

MS. OSTER:

I'm Barbara Oster. I've been here a long time. I'm the Bookkeeper and have taken on added responsibilities as the years have gone on, like buying for the gift shop. I have been in different positions in managing different staff when people were not here. We had lost some staff, so I had taken over different things and kept things going until we got replacements for those positions. I have worked with numerous people here on the Board. I truly care about the place and want it to succeed and will do whatever it takes to make it that way.

MS. GHIORSI-HART:

She throws a great party. She is largely responsible for our Alex Torres event. She's also very instrumental in our gala.

DR. GITTELMAN:

She's here Saturday and Sunday.

MS. GHIORSI-HART:

She comes in, as do many people here, nights, Saturdays, Sunday, whenever we need help. Lorraine Vernola is coming up.

MS. VERNOLA:

Hi, I'm Lorraine Vernola. I work in the dark. I am your Planetarium person. I do all the education programs from Pre-K all the way up to the high school. I also repair the projector and fill in for many positions from cleaning the theater to projecting, to writing new shows, keeping standard – I'm a certified teacher from grades seven through twelve. I have my Masters Degree in Earth Science Education. I specialize in astronomy. We create our public programs here. Dave Bush is the technical person, and we work closely together. There are two people on the planetarium staff full-time. John runs the public programs, works with us as a public programmer and usher as well. Any questions?

MS. ANKER:

I have a question. Have you ever worked with BNL? Do you guys ever get together as far as science?

MS. VERNOLA:

With Brookhaven Lab? I've taken courses. We have worked with NOAA administration out there. We had a NOAA report. We were one of the weather reporting stations, but the government closed us down because of budget considerations. We have partnered with them for programs.

MS. ANKER:

I think that's another – again, partnership with some of these – I'm under the BNL Community Advisory. I'm also with Longwood, and they have a planetarium, but I haven't been to their planetarium.

MS. VERNOLA:

Longwood does come to us. Many of the schools do have planetariums. Planetariums are very expensive to keep up. They require very specialized personnel. It's not just knowing astronomy. You have to multitask, work with consoles and watch 234 students in the dark. The action is always in the back.

MS. GHIORSI-HART:

Peter Newman.

MR. NEWMAN:

I'm Peter Newman. I was hired here back in March as the Restoration Supervisor, although I've taken on a lot of extra duties since then, one of which is dealing with fire alarm systems, which is a constant nightmare. Lately I've been working very closely with a couple of the grounds guys. We get very busy this time of year. The tent has to come down soon. They will have to do the leaves, winterizing the sprinklers and such. It's just never ending the amount of work for us to do.

MS. GHIORSI-HART:

And Peter is here whenever we need him. He's our go-to guy. If anything goes wrong, we go to Peter. It's great to have him on staff.

MR. NEWMAN:

Electrical or whatever.

DR. PECORALE:

I have a question for you. Have you been in contact with the County people about having individuals who have to do service through their community? Have they come in and helped out?

MS. GHIORSI-HART:

Yes, we've had people come in to help out.

MR. NEWMAN:

Yes, there is a County Work Release Program.

DR. PECORALE:

So you have been in contact with them. How about the group that used to come in during the springtime and spruce up our trees and things?

MR. NEWMAN:

Well, we just had a lot of that work done. We paid out and had three days of work done, and it got very expensive. It was so much cheaper for us to finish the work ourselves. We rented equipment.

DR. PECORALE:

But they used to do it one day for free, one Saturday free.

MR. NEWMAN:

Yes, they did on Arbor Day. I'm not sure what gets involved in trying to set that up again.

DR. PECORALE:

Keep them active.

MS. GHIORSI-HART:

Peter works very closely with the master gardeners. We have a huge volunteer master gardener force, and Peter is helping them. They have done a wonderful job. The gardens at Normandy Manor, if you're ever here during the day, go over there. They're exquisite, and they will be expanding. Anyway, thanks, Peter.

Stephanie Gress, come on up. Tell us about our whale-shark. I have to also say that we have a brand new exhibit, the 1908 motor car exhibit. Stephanie worked very hard to have that ready for our antique car show, which was very successful. Stephanie is our Director of Curatorial Affairs.

MS. GRESS:

I was trying to hide. I'm Stephanie Gress. I'll give you a little bit of a background. I came here at the end of 2000 right out of the Masters Program at Stony Brook. I have Masters Degree in Art History and Criticism. I started here -- believe it or not, this a second career. I worked for a six partner accounting firm. I ran the firm. It was a lot of work, and I wanted to do something different. I came here and took a job as a part-time educator, believe it or not, and within five months I became the Curator of the Ethnographic and Natural History Collections. Carol used to be the Director of those collections. Isn't that funny?

I worked very closely with the Education Department and with Florence Ogg, who was the Archivist and the Director of Exhibits. I have been here for a little over seven years now. Upon Florence's retirement, I took that job as well. I do everything you can think of from opening the exhibits to cleaning when they need cleaning or repair, lighting because the Curator really has to do that. Even though it seems like a maintenance function, the exhibits inside are very fragile. Without Peter I couldn't even keep this place going. What seems like a light bulb change – as you know, we have this Vanderbilt closet, and it's not like you can just say, "Ok, we'll just change these light bulbs." We got

our ladder out and then said, "Oh, boy. These don't work at all." Then Peter came and took a look at them and—

MR. NEWMAN:

All but one works now.

MS. GRESS:

Something as simple as a light bulb could be a three-hour job, or it leads to something else. I oversee all the curatorial functions, everything from requests for archival information, working with researchers, maintaining the exhibits, creating new exhibits, grant writing, working with the Education Department, which I haven't had as much of a chance to do lately. We used to do outreach. We used to do a lot more things, but as the staff has dwindled, we had to pick and choose our functions. We try to do the best we can. I think we're doing a really good job with most things. It's not easy, but we do it. What else do we do during the day?

MS. GHIORSI-HART:

Lot's of things. I wanted to thank you, again, for the wonderful exhibit and all the work on the whale-shark you did and for overseeing your staff.

MS. GRESS:

The whale-shark exhibit was one of the greatest pleasures I think that I've had in my life. I can say that honestly. Getting the grant money for the institution – and it was a very prestigious grant, Save America's Treasurers. There are very few, if any, Long Island institutions that can say that they received it. I know in the year that we got it, only six institutions in the whole state and only about 60 in the whole country had gotten that grant money. We were in good company with the likes of the Botanical Garden in New York. They received it. I was very, very happy to get it. Then the County matched the money and with the construction of that area, which as people who have been Trustees a long time know, really it's just terrific -- water damage, leaks, holes in the ceiling, mold, you name it. They fixed that part of it.

Then we had a great group of consultants, taxidermists and artists come in and refurbish the taxidermy and other parts of the exhibits. We're almost finished. It is open to the public. We were happy to open it the same day the whale-shark was caught

on August 9, a happy coincidence, believe it or not. I didn't really plan it that day. I wanted it that way, but they just happened to finish the work about a week and a half before that. The taxidermist finished up. We quickly cleaned everything up so we could have our grand opening.

We reopened that exhibit in August and then another new exhibit in September for the car because the Vanderbilt Motor Parkway's 100th anniversary, plus the 100th anniversary of the 1908 race, and we wanted it ready for our gala and for the car show. It all just worked out. We have been keeping pace.

It's challenging, and then you have, of course, the staff of the mansion, who do Living History Tours and just guiding and greeting people around the mansion, which is a very necessary function. Our Living History is extremely popular and well received. We would like to keep doing that. Our staff is really dedicated to entertaining. They really put their hearts and souls into it.

MS. ANKER:

Could I say something? What you're talking about is that when you go in front of the Legislature or whatever, a lot of these Legislators have just been in office for just two years. There are a lot of new people there. I don't think they realize – I know I didn't, being a new Board Member, what the museum has gotten as far as grants. It's a high level of distinction. I would suggest maybe to have that in writing –

MS. GRESS:

I did present that to them. I'm sorry to interrupt you. Steve had brought me a few years ago when we got it. We got it in 2003, and I think in 2004 or 2005 I went to the Legislature with Dr. Gittelman and we explained about the grant. They were extremely gracious and very appreciative of our efforts.

DR. GITTELMAN:

It was one of my proudest moments – not that I did anything.

MS. ANKER:

But is it the same Legislators that were there –

MS. GRESS:

A lot of them.

MS. GHIORSI-HART:

It's a good idea. Maybe right after elections we should take another opportunity to invite our Legislators to come here. You can be on that committee. We'll talk more about that. Stephanie works with a lot of volunteers, interns, colleges.

MS. GRESS:

I probably have the largest base of volunteers. For the Christmas decorations, we just had our meeting Monday with all the local garden clubs, and they're coming back to decorate the mansion. They each pick a room every year, and they switch around different rooms.

DR. GITTELMAN:

Do you need a Christmas tree?

MS. GRESS:

Yes, someone donated an extra one this year for the library.

DR. GITTELMAN:

I have a huge Christmas tree to donate.

MS. GRESS:

We have two gentlemen who come in to play pipe organ on a volunteer basis about twice a month. That's a treat if you haven't heard that. We have our volunteer gardeners who – I don't usually work with them. Peter does, but at Christmastime I do work with them. They came to our meeting Monday. We have a list of the outdoor decorations they need to purchase. We try to coordinate that. There are a few volunteer greeters. We love our volunteers and we appreciate them, as well.

MS. GHIORSI-HART:

Okay, thank you. I know it's getting late, so I'm sorry to cut everyone short. Maryann, if you could just stand up so we can acknowledge you. This is Maryann Zakshevsky. She is our Curatorial Assistant, who works closely with Stephanie. She is here full-time. She's actually going to be stepping into a security role as well. That's one of her fortes. We're very happy about that. We also have Maryjane Selvaggio with us. She's in a number of cross departments, greeter in the mansion, gift shop. We're doing more cross training. Thank you for coming tonight. Paul Glatzer is one of our educators from Smithtown.

MR. GLATZER:

I have the best job. Every day we get the most enthusiastic kids on Long Island come and visit. They come here with such enthusiasm. Hopefully we'll be able to continue doing this.

MS. GHIORSI-HART:

Okay, thank you. I'm sorry we took some time to do that, but this is what the place is about. These are people that are filling in positions as we had to cut back. We're all in this together. That's why they are here.

DR. GITTELMAN:

I have two brief items. Congratulations, Carol. You've earned it. I'm very proud of you. I'm very thrilled to be working with you.

In terms of the President's Report, Sarah, I need your help in this lobbying effort. Everybody, I need your help in this lobbying effort. We have to get in there and get this done. Everybody in this room has some experience speaking to people. Don't make it that I have to call you and drag you there to help me. Call me and volunteer to help me. You have my cell phone number. I wear it all the time.

I want to set up the next Board Meeting. It will be the second Wednesday of the month. It's the 12th of November. There is a Legislative deadline on the 12th. I'm going to ask that the meeting be the same day as that deadline. We have not established a need for an executive session. Do we have any old business? New business? Is there a motion to adjourn?

DR. PECORALE:

Motion.

MS. OLDRIN-MONES:

Second.

DR. GITTELMAN:

(Vote: 9/0/0/6 Not Present: Ms. Kaplan & Mr. Sillman. Absent: Mr. D'Orazio, Mr. Swinson & Mr. Macchione. One vacant position.)

(Dr. Gittelman adjourned the meeting at 9:55 P.M.)

SG:ap

