

SUFFOLK COUNTY VANDERBILT MUSEUM

BOARD OF TRUSTEES

MINUTES

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held on March 18, 2009, in the Planetarium Lobby, Centerport, New York.

The following were in attendance:

Dr. Steven Gittelman - President
Gretchen Oldrin-Mones - Secretary
Michael B. DeLuise - Treasurer
Daniel Olivieri - Trustee
Sarah Anker - Trustee
Thomas D. Glascock - Trustee
Ronald Beattie - Trustee
Carol Ghiorso-Hart - Executive Director
Barbara Oster - Staff
Lorraine Vernola - Staff
Jill Moss - Budget Review Office
Peter Newman - Staff
Randy Long - Staff
Michael Iadevaia - Accountant
Ann Marie Pastore - Stenographer

Absent:

Arthur M. Sillman, Jr. - Trustee
Matthew Swinson - 2nd Vice President
Dr. Anthony Pecorale - Trustee
Dr. William Rogers - Trustee
Noel Gish - Trustee
Lynn Dwyer - Trustee

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

DR. GITTELMAN:

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

MS. PASTORE:

Yes.

DR. GITTELMAN:

We cannot approve the minutes, and we cannot vote on the audit because we don't have a quorum. We can discuss whatever was discussed at the Oversight Committee.

MR. OLIVIERI:

Why don't you come and join us up at the table.

DR. GITTELMAN:

Yes, we have plenty of room up here.

MS. ANKER:

Who is here from the Oversight Committee?

MS. GHIORSI-HART:

Jill is representing Lance Reinheimer tonight.

DR. GITTELMAN:

There was a meeting of the Oversight Committee. Carol attended it. I think it would be a good idea to find out what's going on with the Oversight Committee. Perhaps Carol can give us an overview of what was discussed.

MS. GHIORSI-HART:

There was a meeting on Friday. Mike DeLuise attended, Noel Gish was there, as well as Ron Beattie. I think all the members of the Oversight Committee were there. There were a number of questions. One area of questioning was about the dinosaur exhibit. I answered a few questions about the Dinosaur Society.

DR. GITTELMAN:

How would you know the answers to those questions?

MS. GHIORSI-HART:

Well, I only tried to remember what you said and basically repeated your words and punted a lot to you, but you weren't there.

DR. GITTELMAN:

I was in Stockholm on business. I could not attend. I did not know there was a meeting of the Oversight Committee. I certainly didn't know that there would be more questions about the Dinosaur Society. Jill, do you know if there is anything that remains unanswered?

MS. MOSS:

I think everything was answered. The other thing about the Oversight Committee was Gary Ponzio, the Director of Telecommunications, was present also to help facilitate the cell tower issue.

MS. OLIVIERI:

I noticed that there was something said that we should just pass that over to the Suffolk County committee that deals with that stuff.

MS. MOSS:

There is a Wireless Cell Committee that needs a letter from the Board with the intent that the Board wants to erect a tower.

MR. OLIVIERI:

So the bottom line is we just pass that over to them, and they can deal with it. They have the expertise to deal with that.

MS. MOSS:

Do you want to deal with that, Carol?

MS. GHIORSI-HART:

Noel Gish has been working on this. He has spent a lot of time and, in fact, did a lot of leg work checking other sites that have cell towers that were recommended as something we might like to do here. He has been in contact with Gary, and I think he hopes to work with Gary, at least make sure information flows back and forth. It was requested – Noel did run into some problems because he was trying to do some research with the County Attorney and with other places, and it's sometimes difficult for an individual Trustee, apparently, to call upon the resources in the County without the Board's approval.

MS. ANKER:

Is it Gary or Jerry?

MS. GHIORSI-HART:

Gary Ponzio.

MS. ANKER:

What is his title?

MS. MOSS:

He's Director of Telecommunications.

MS. GHIORSI-HART:

I was in communication with Gary today, and he said he needs a letter from this Board requesting that Suffolk County Cell Site Committee add the Vanderbilt as an available site for possible cell towers.

MS. ANKER:

My concern with that is, and maybe you can help answer this, will the funds that this particular cell tower for the Vanderbilt -- will that be available for the Vanderbilt or would it be put into the General Fund for the Parks Department?

MS. MOSS:

It may come to the County, but eventually it would come back to you.

MS. ANKER:

How long -- in other words --

MR. OLIVIERI:

Wait, it may go to the County first?

MS. ANKER:

And then it would have to travel to here, which --

MS. GHIORSI-HART:

There was some discussion of that.

MS. MOSS:

But ultimately it will reach --

MR. DELUISE:

But it would eventually get to the Vanderbilt.

MR. OLIVIERI:

How do you know?

MR. DELUISE:

That's what they said.

MR. OLIVIERI:

Who's they?

MR. DELUISE:

The Oversight Committee said the money would be given to the Vanderbilt.

DR. GITTELMAN:

I'm a little bit confused. Does the Oversight Committee make policy through the Legislature?

MR. DELUISE:

They were talking about, if I understand it, they have a group deal that they get – and Jill tell me if I'm wrong – that through the County they can get cell towers. They would be willing to put us into that group deal. I think they are talking about a fee of \$1,700 a month. It would be paid as part of the Verizon group. They could also bring in other carriers on top of that and then money would somehow then be taken by them and then credited somehow to us.

MS. MOSS

The tower, I believe, can hold up to five carriers, but it depends on how many are on the tower.

MR. DELUISE:

If they did one – if Verizon, for instance, put it in that –

MS. ANKER:

What is the \$1,700 for?

MR. DELUISE:

That's the fee that they negotiated with Verizon per tower.

MS. MOSS:

They don't want to single it to Verizon. There are other carriers that could be interested in doing this also.

MS. ANKER:

I never heard of a company charging to put up a cell tower.

MS. GHIORSI-HART:

No, that was the fee that they would pay us.

MR. DELUISE:

No, they pay per tower. They would pay a \$1,700 fee.

MS. ANKER:

That sounds awfully low.

MR. OLIVIERI:

Sarah, you have a lot of experience with this.

MS. ANKER:

Yes, I do.

MR. OLIVIERI:

That doesn't sound right, does it?

MS. ANKER:

Not at all. When I looked into this for the Mt. Sinai School District, they were going to put in cell towers. I can dig through the notes. That was years ago. That was six years ago. They were going to get – you could get up to \$25,000 for one cell –

MS. MOSS:

Are you talking about annually or monthly?

MS. ANKER:

Annually.

DR. GITTELMAN:

Well, \$1,700 times 12.

MS. ANKER:

That was years ago, but that was for one.

MS. GHIORSI-HART:

Yes, that's just one carrier.

MR. DELUISE:

That's \$1,700 for one carrier. Other carriers would pay similar amounts.

DR. GITTELMAN:

I think my question is, they want us to give them a letter saying that we want them to handle it. I understand that part. What assurances do we have that we will get the money?

MS. ANKER:

Do you know what bothers me, too, and not to put the County on the hot seat, but wasn't the County supposed to start working on some of these capital projects? Again, I'm new at this. I don't know what the problems were, but I would like to see something a little more substantial as far as the contract of what's involved.

DR. GITTELMAN:

I don't know why we just can't do it ourselves. It's on museum property, so the funds should come right to the museum. Why should it go around the corner and come back in?

MS. ANKER:

I think, like you said, Noel is –

MS. MOSS:

There is a license agreement with the County.

MR. OLVIVIERI:

Why would that have to be?

DR. GITTELMAN:

It is County property. I guess because this is a historic location, my concern would be, what about the appearance and how does it detract from the historic property?

MS. ANKER:

Is it a historical -- what do you call it?

DR. GITTELMAN:

This is historically designated, yes.

MS. ANKER:

In other words, there are limitations as far as what can be built and what cannot be built.

DR. GITTELMAN:

That's correct. And there should be some oversight because it cannot – the things that might be appropriate in some places may not be

appropriate here. I think the request that we turn it over to the County is fine, except there are some other unanswered questions, which would include what involvement do we have in determining whether it feels – if we are still the custodians of the property, are we still going to be held responsible if this detracts from the property? Then if it does detract, shouldn't we have some say over the appearance or the appropriateness?

MR. OLIVIERI:

It seems so, wouldn't it, but what do I know. They could put it across the street, right?

DR. GITTELMAN:

That's historical, as well.

MS. ANKER:

They tried to put cell towers on churches in historical districts, but it has to pass another committee within that jurisdiction. So that can be an issue.

DR. GITTELMAN:

So I understand that the County wishes us to send them a letter. The question would be, do you want to send them a letter requesting them to handle this or can we put some caveats in there that we would like to review the appropriateness of the physical structure?

MS. MOSS:

I'm not part of that committee.

DR. GITTELMAN:

I think that it would make sense for us to send the letter that we would like to review the appropriateness of the physical structure, and we are assuming that the revenue stream goes to the museum. And then we can send a letter requesting them to handle it for us would be fine with me, as long as it's fine with you.

MS. GHIORSI-HART:

Noel Gish has really spent a lot of time and worked on this. He is out of the country. He is in Paris for about another week. He was at the meeting.

MS. ANKER:

So when he comes back he can send this out.

MR. OLIVIERI:

Yes, when he comes back, he can handle it then.

DR. GITTELMAN:

I just don't want to delay the process.

MS. ANKER:

I just think that would be fine to wait. It's another week until he gets back, because he's the lead on this issue, so he can speak with –

MS. MOSS:

Did Gary say when the committee meets next? I have no idea.

MS. GHIORSI-HART:

He didn't say.

(Mr. Beattie entered the meeting at 7:20 P.M.)

DR. GITTELMAN:

I would not delay at all. I'm not trying to eclipse Noel, but if we have a committee that meets on some sort of schedule and we miss the date because we don't know when the committee meets, it's a matter of having a letter put together and sending it in with those two caveats.

MS. ANKER:

Honestly, I really would like Noel to be aware of this. He spent a lot of time and effort. He works very well with whoever he is working with. Before we accept whatever it is – and I don't even know what we're accepting –

DR. GITTELMAN:

Well, if you don't know what we're accepting, let's talk about what we're accepting. They have asked us to approve the County's committee that handles this to move forward. If we don't, I think we're just going to be stalemated and we will be blocked from moving forward. I don't think Noel would want us to not move forward.

MS. ANKER:

Moving forward as far as getting a cell tower?

DR. GITTELMAN:

Yes.

MS. MOSS:

It has to go through the RFP process. That's what the committee would help with.

MS. ANKER:

Do they need to know within the week?

DR. GITTELMAN:

We don't know.

MS. ANKER:

My personal point is that I think the Noel should be spearheading this liaison between the Board and the County and the Oversight Committee for the cell tower issue. That's my opinion.

DR. GITTELMAN:

I understand that's your opinion. Are there any other opinions?

MS. OLDRIN-MONES:

Noel is going to be back on the 25th. Tomorrow is the 19th. That's only six days.

MR. OLIVIERI:

I agree with Sarah.

DR. GITTELMAN:

Then we'll wait for Noel. Is there anything else from the Oversight Committee that we need to address?

MS. DELUISE:

Is there anything else, Jill?

MS. MOSS:

Not that I recall.

MS. GHIORSI-HART:

Nothing that the Board needs to address.

MS. MOSS:

We went over capital projects.

MS. GHIORSI-HART:

Yes, a portion of it was going over our capital projects, which if we have time tonight, I can go over them again here as well. There were

some questions about our fundraising. That's something I'm sure we'll be going over as well. Naturally the Oversight Committee is very interested in how things are going and what we have coming up and what plans are on the horizon.

DR. GITTELMAN:

Okay, we can move on to the Finance Committee.

MS. ANKER:

Are we still on Oversight Committee?

DR. GITTELMAN:

We can stay there.

MS. ANKER:

I just have a question, as far as the Oversight Committee, and this is something that we really need to address as a Board. Basically, as far as the funding, we're getting funding for a month for the Oversight Committee. Is that what's happening? Is the Oversight part of the funding a situation?

MS. MOSS:

No.

DR. GITTELMAN:

No.

MS. ANKER:

Who decides? Does the County, the Legislature?

DR. GITTELMAN:

The Legislature and the County Executive.

MS. MOSS:

The Legislature has fiduciary responsibility.

MR. OLIVIERI:

But Sarah's question was, who is providing the money?

MS. ANKER:

Yes, who is providing the money?

MS. MOSS:

The resolution that they passed, it would come out of the General Fund, so it's the County, the \$800,000.

MS. ANKER:

And the Oversight Committee doesn't review any of the expenses? Does it review any of the expenses, or does it have a say as far as the type of funding that the museum needs? That's why I'm trying to –

DR. GITTELMAN:

We're going to visit that later, if it's okay.

MS. ANKER:

Absolutely.

MS. MOSS:

On a monthly basis Carol submits her cash flow needs report.

MS. ANKER:

Okay, so I'll wait until we get to that part and then I'll ask questions.

DR. GITTELMAN:

Do you want to go to the Finance Committee?

MR. DELUISE:

We had a Finance Committee meeting this week. Barbara and Michael, can you please join us? What we have done, and I guess we agreed to have the Board to vote on revising the budget because when we look at the budget, there is a difference between our finances. We made some suggestions in regard to suggestions to revise the budget. I would think we need Board approval on that. Michael, do you want to explain, for instance, the January numbers? Things have changed compared to our budget with the endowment disappearing.

MR. IADEVAIA:

Basically, January's numbers we actually lost around \$94,000. That's without any help from the endowment or any help from Suffolk County funds. Historically January has been a pretty bad month. We had budgeted around \$54,000 loss for January anyway.

MR. DELUISE:

But we would have had, if the endowment had been in place traditionally about \$100,000 from that.

MR. IADEVAIA:

I think we probably would have been plus around \$50,000.

MR. DELUISE:

So instead of being \$94,000 down, we would have been in the positive.

MR. IADEVAIA:

Right, based on what we had projected with the budget. We would have broke even on an actual basis or made a couple of dollars if we did get the \$100,000. Going forward, I think that at the meeting we were all on the same page that we needed to really look at the budget because the budget that we had drafted was an old budget that included the endowment of \$100,000 every month. I worked with Carol. We had put one budget together, and I understand there is a new budget today.

MS. GHIORSI-HART:

I think we have a lot to discuss. Without getting so many different papers going in different directions, even from Monday night when the Finance Committee met, in conversation with BRO and Steve, what I think we have to discuss is – did everyone get one?

MS. PASTORE:

Do you have an extra copy of that?

MS. GHIORSI-HART:

In June of 2008 the Finance Committee presented the Board with a budget for 2009, which was voted on and is considered an Operating Budget. Of course, the world has changed tremendously during that time, and the budget that was approved at that time is no longer viable. We no longer will be getting \$1.2 million from our distribution from the endowment.

In October or so when we started working figures out, at that time, in talking to BRO it was thought we might get \$270,000 from our endowment, and that's why we started to talk to the County with the request that maybe \$850,000 or \$800,000 would be needed to help us get through the year.

As of this week, it looks like if we were going to take money from the endowment from the investment, the absolute most it would be would be \$100,000. In fact, the recommendation is that no money come

from the endowment distribution. We're really looking at \$800,000, plus \$45,000 that had been distributed in February.

When we met on Monday, we were looking at how we can have a balanced budget assuming what might be only \$800,000 coming and the \$45,000 that was distributed, and we did work some numbers out to get a balanced budget. That's what we have as 2009 revised budget.

Again, in talking to some people, including some people at BRO about what I felt would actually be realistic and attainable within our grasp is that I have a recommended budget that I'm looking at. It is a deficit budget of about \$200,000, if things stay as they are now. I guess there is a decision of whether or not we want to vote on a budget that is a deficit budget or not or a budget that is a very hopeful budget. Let me just put it that way. There are problems associated with each avenue, so I think we have to discuss it. I have gotten different opinions, not only from within the Board but within the County, as well.

MS. ANKER:

What are those opinions?

MS. GHIORSI-HART:

That I should do a responsible budget, a budget that I think is responsible and reflects reality, maybe hopeful but not to an extreme. In looking at the revised budget that we had talked about, I think in the current economic climate some of these numbers would take a miracle. I'm not comfortable with a budget that would take something extraordinary. You hope, but you can't plan with an extraordinary situation.

MR. DELUISE:

It doesn't mean that we're still not looking to add revenue in certain things, like camps, donations, memberships, site fees, but there is still a limit in this economy where it's almost like what can you do.

MS. GHIORSI-HART:

Right now it sort of a working document. The "2009 Executive Director Recommended" those are the numbers that I comfortably feel that with the staff I currently have with our Board, I think we can do that. The 2009 Revised Budget – revised to have a balanced budget, that's going to be a huge heavy lift.

MS. OLDRIN-MONES:

Carol, what's the downside of voting on the more realistic budget and hoping that we don't come out with a deficit?

MS. GHIORSI-HART:

I think politically if someone is just looking at a budget and saying, "Why are they doing a deficit budget. Cut expenses," we all know – and some of the new members maybe not as much, but I feel that there is just nowhere to cut. We can hope to cut. We can hope that the projector doesn't break. We can hope that we don't have more unforeseen things, but I can't plan that way.

MR. DELUISE:

There is nothing left to cut.

MS. OLDRIN-MONES:

I know that.

MR. DELUISE:

At the Oversight Committee on Friday, they actually were talking about some things that should be added.

MR. OLIVIERI:

What were they going to add?

MS. GHIORSI-HART:

Personnel, a development person.

MS. OLDRIN-MONES:

That would be great.

MS. GHIORSI-HART:

It would be great.

MS. OLDRIN-MONES:

It would make a lot of sense.

MS. ANKER:

Can I just ask you about a couple of things? The heaviest is the salaries and wages. That's been cut pretty much as much as possible.

MR. DELUISE:

Sarah, a lot of these people are paid hourly.

MS. ANKER:

The other idea is to have volunteers. Do we have volunteers here?

MS. GHIORSI-HART:

Yes, we do have volunteers. I think we need to make more use of them. We need to get more volunteers involved in our interpretation – for example, the mansion, greeters. That’s something we will work on but that’s going to take some time. Let me remind you, because I know it’s hard to remember that we have moved from an out-sourced security team to in-house. So the wages have gone up to reflect our in-house security, but they have been cut significantly under the professional line. If you look at the budget that I presented in June, that was before we had the idea to take it back. We had \$475,000, and now we have cut it to \$260,000. So the salaries are up only by \$85,000 for 2009. If you add those two numbers together, you will see that we, in fact, have cut. That’s where we are expecting to save about \$70,000 by handling security part of the time in a different structure.

MS. ANKER:

The other professional services, what is that?

MS. GHIORSI-HART:

Anyone who comes on the property, such as a repair person. We have contracts, for example, with our HVAC system. If the furnace needs help, that type of thing.

MS. ANKER:

Simplex, what is that?

MS. GHIORSI-HART:

Simplex does our fire alarm systems, security systems. Those are pretty expensive.

MS. ANKER:

Is this per month?

MS. GHIORSI-HART:

Yes.

MS. ANKER:

What’s Johnson?

MS. GHIORSI-HART:

The HVAC system for all the buildings. It's a big expense.

DR. GITTELMAN:

I think that it's important to note that the County Executive has been extremely dissatisfied with us when we put in a deficit budget. He simply rejects them.

MS. ANKER:

What about if we close down part of the museum? If they don't accept a deficit budget, there is nothing more we can do, other than close down part of the museum. That will cut some of the costs.

MS. GHIORSI-HART:

Again, and we've gone through this before. Closing down part of the museum, we lose money. There is that \$800,000, whatever that cost is as far as administration, to heat or whatever, once we have paid for that, the planetarium makes money, the education programs make money, the museum makes money. We ran through those figures. We will be doing more, and I'm working with BRO so we can get spreadsheets, so you can all see it, because Steve and I looked at those. It just doesn't save money.

DR. GITTELMAN:

In other words, everything else is a profit center. There is an overhead that we have to cover that simply makes no money. Then from that point forward, everything else breaks even or makes money. So if you cut it, you lose. It's simply a matter of – the only things that we could cut that don't make money are the things that we can't touch because we need them in order to keep the facility alive. In other words, security does not make money. It's just an overhead item. We cannot live without security, so you can't cut it. We can't cut heat. We can try to economize, but we can't eliminate it. The same with electric bills. You understand what I'm saying. There is an overhead. That will not make money. That will always be there no matter how much you cut. Everything else that you can cut will reduce revenues equal or greater.

MS. ANKER:

What about employee benefits. Is there anything that the Vanderbilt can do to – is that through the County? Is that paid through the County?

DR. GITTELMAN:

No, it's paid by us.

MS. ANKER:

Can we work with maybe the County to see if we can get better benefits for the people that work here that may not be as expensive? I don't know. I'm just asking. Usually the more employees you have, the better benefits you get and the cheaper the benefits are.

DR. GITTELMAN:

The County doesn't pay for them. We purchase some of them through the County. We are getting the benefit of the County's purchasing power, but the cost of carrying them is so high, and our employees are paid very low. We are way below the County wages.

MS. GHIORSI-HART:

And we continue to cut. As I think I've mentioned, we lost two full-time people in the last month. I'm not going to be replacing them with full-time people. I think we can cover many of the duties with part-time people, but there is going to be added stress on the staff that's left. Again, now as of the end of this month, we have 13 full-time people. Five years ago we had 26. If you go back, there were more.

DR. GITTELMAN:

If you go back to 1990 when I started on this Board, the budget in 1990 dollars was larger than the budget is today. If you look at what a dollar has shrunk to, I think some people use a ten year doubling factor. In essence, that budget might have been in as much as three or four times as high as what it is today. They weren't open as much as we are today. We have cut drastically in the 20 years I have been on this Board.

MR. DELUISE:

For us as Board Members, there are a few things that we can do. We are talking to Lora and the Friends. Carol is going to work with them about a letter that will go out that we will each send out as Board Members and people involved with the museum. Do you want to talk about that later or now?

MS. GHIORSI-HART:

You can speak on that.

MR. DELUISE:

We want to work on a letter basically saying, "I'm your friend, and I'm involved with the Vanderbilt. I know you would like to help." Almost a fundraiser letter suggesting that they become members or at least family members. One of the things I think that we as Board Members, employees, staff, and even people on the Oversight Committee should think about doing is at least becoming a family member. If you brought in 200 family memberships, that's going to help. It doesn't solve the problem, but it makes a good statement. It's very hard when we're going out asking for somebody to make a donation to the museum if we're not a member. It's nice to be a member first. We should talk about that. My own feeling is that every Board Member should at least have a family membership or more with the museum.

We're going to be down on site use this year because there aren't going to be that many weddings. But it doesn't mean we can't come up with another idea for an event that could be done here. You should talk to Carol and the staff about bringing some in. I think right now we'll work with the budget, but every dollar that you bring, ever person that you bring in to visit the museum is going to help.

One of the things that we didn't talk about here with the Oversight Committee is a number of our Legislators are still very interested in doing fundraisers. Give them an idea for a fundraiser.

MS. ANKER:

What was said with the development person?

MR. DELUISE:

It was just a suggestion that it would be a good idea to have a development person.

MS. ANKER:

Honestly, I think a museum has to have one.

DR. GITTELMAN:

I think it's an excellent idea. We have done it three or four times since I've joined. There is a period of time it seems to take a Development Director to break even. They have to get acclimated. And I'm not saying we shouldn't invest the money, but if a Development Director costs x-dollars and does not achieve those x-dollars in this first year and we were to show a deficit on our investment with a Development Director, that would be a problem.

MS. ANKER:

I would like to see – and I know we mentioned this before at the last Board Meeting but to bring in someone and pay them at a percentage of what they make.

MR. DELUISE:

That's very hard to do. Most will not even consider it ethical.

DR. GITTELMAN:

There are some bylaws where paying on a percentage basis is unethical.

MS. GHIORSI-HART:

Associates and Fundraising Professionals, they just got their – and I should have brought it with me – it's not considered ethical.

MS. ANKER:

I disagree.

MS. GHIORSI-HART:

If someone donates money to an institution, they want to know and we want to be able to say it is all going toward this good cause and that a percentage isn't going out to pay someone's salary. We could possibly do something, though, like a structure or a reward kind of bonus.

DR. GITTELMAN:

I would say that it's a perfectly good idea to pursue a Development Director. Maybe one of the things we ought to do is look for a Development Director and see what the options are.

MR. BEATTIE:

I apologize for being late. One of the points that I made at the Oversight Committee on Friday is that all these things are great. Everything that we're talking about is great, but I think that as a group – and I know we have immediate needs as well, obviously. But as a group, we need to come up with a strategic development plan so that we're all singing from the same hymn book. In that plan it could be a Development Director in the future as we go on. But I think the Trustees, as a group, for now are a committee as a whole as the Development Director, that we're going to go, and we're going to shake the trees and we're going to try to get whatever fundraising we can get done. But if we don't have the same plan and we're not singing from the same hymn book, we don't have a coherent –

DR. GITTELMAN:

At the last meeting, that exact idea was discussed. A committee was started. The committee is not present.

MR. BEATTIE:

Well, one of them is.

DR. GITTELMAN:

Perhaps when we get to Development, you can report to us on the progress.

Mr. BEATTIE:

Was there an agenda because I didn't see if it was on there.

DR. GITTELMAN:

It wasn't handed out. We're saving trees.

MR. OLVIERI:

I think Gretchen is part of the Development Committee.

DR. GITTELMAN:

We agreed and we can certainly bring that up. If you want to tell us, how did it go with the development plans? We might as well go to the next item which is Development Committee. Since we have a Development Committee, how is it going?

MR. BEATTIE:

I would say from the last meeting, our first and foremost objective was to talk to the Legislature about the override vote and to convince them to keep the doors open.

DR. GITTELMAN:

But we're talking about the Development Plan that we had discussed.

MR. BEATTIE:

We were trying to keep the doors open. The committee got together and said, "This is our voice. At the Legislature, our voice is going to be that we hear you, and our primary focus is going to be on fundraising and developing a strategic plan. That's what we communicated in that –

MS. ANKER:

We focused on what was happened for that meeting. Then we also gathered ideas – and I don't have them in front of me -- as far as being on target with things. I don't remember exactly what we were –

MS. OLDRIN-MONES:

I think we formed a committee to speak to the Legislature. In the speaking part, we talked about development. We talked about acting in concert as a Board, since we don't have a development person, that we would all try to raise money. We did mention some specifics when we were developing our speech for the Legislature.

MS. ANKER:

So did we put together a strategic development plan? Not coherently – cohesively, but we did discuss it, and I think we just wanted to get past the override. Once we got past that vote –

MR. BEATTIE:

That's what I thought our mandate was.

DR. GITTELMAN:

If that's what you folks are accepting as your mandate, I will accept that. But I was hoping that you will carry it forward to a Development Plan because we certainly do need funds.

MS. ANKER:

The problem was – like with the situation with the wedding issue. We wanted to see what was happening on that day because that makes such a – it's going to make a tremendous difference because if we have fundraisers, if we have corporate sponsorships, we have to have that integrity to know that we're going to have the doors open before we go asking for money from whatever venue we go after. I think we were more focused on getting the override vote. Now that we're past there, we can begin and –

DR. GITTELMAN:

So perhaps at the next meeting you might have the beginnings of something?

MS. ANKER:

Yes.

DR. GITTELMAN:

Okay.

MS. OLDRIN-MONES:

Yes, and that would be Noel and Lynn also.

DR. GITTELMAN:

Okay, that would be very good. Are there other items on Development that you'd like to discuss?

MS. ANKER:

The brochure was very nice.

MS. OLDRIN-MONES:

I redid the brochure for the umpteenth time. I only printed two copies this time. I emailed it to everyone on our committee. Ron, you said that you had an acquaintance who could –

MR. BEATTIE:

Yes, and I have spoken with him. There is a person that I have been working with. He has done the website for us for the Oakdale Chamber of Commerce. He is willing to come in and help us develop a marketing plan at no cost. He wants free admission.

MS. OLDRIN-MONES:

I thought you said that he could print the brochure also.

MR. BEATTIE:

I think he would take a look at that when we convene at the next Development Committee. We could bring him in. He has a lot of experience in the business, so he'll be able to help us a lot with that.

MS. OLDRIN-MONES:

Mike wrote a letter that he sent to everybody, right? I guess we're thinking that a letter and brochure would be a nice initial contact to people that you think might be potential donors.

MS. ANKER:

With this type of – when you're going after corporate folks, you need a kit. In that needs to be pieces. I think these are the pieces, the letter and the brochure. But we can get more ideas from – what's his name?

MR. BEATTIE:

Tom Kerr, Kerr Corporate Design is the name of his company. Lynn also volunteered to look through the stack of – did she ever get the stack of prints? We are looking at it in two different ways, private

funding and going after grant monies, as well. She is an expert at that. She is incredibly knowledgeable about that stuff.

MS. ANKER:

With that and in relating to ideas as far as creating funds, I spoke with the promotional director for the Islanders. They are very interested in looking at the Vanderbilt. I don't know as far as corporate sponsorship but working together we could give our coupons and admission discounts to the Islanders to pass out to their kids. They see about 50,000 kids a year when they are doing their school programs. Maybe we could put some Islander coupons in our bag. Let me know if you guys are okay with that. I haven't sat down to talk to them. That's just one idea of maybe different ideas that we could work on together.

MS. OLDRIN-MONES:

That would be a good way to promote our summer camp also.

MS. ANKER:

But that might be the start of something even bigger, like corporate grants or something like that. It's just a positive situation.

DR. GITTELMAN:

Is there anything else that you'd like to bring up about Development?

MS. OLDRIN-MONES:

Staff is working on looking into grants. They have a lot of expertise. That might pan out.

DR. GITTELMAN:

Anything else? Okay, before we go on to Education and Exhibits –

MR. BEATTIE:

I'm sorry, Steve, I was just trying to figure something out. There was one other thing that came up during the Oversight Committee in terms of development. The Legislature has said to use them and to use their public relations. They are willing to help us anyway they can. I think that's going to be key. Once we develop this coherent message to go out there to use them for that and the fundraising with them, for them to use the facility, and all that stuff, I think it's a significant thing to keep in mind, especially because they are offering to help us.

MS. ANKER:

But when you say that as far as how we can use and what departments we can resource, can we get a list on that?

MS. MOSS:

I know Carol met with Kara Hahn today. She is part of the Communications Unit for publicity for events. I know that BRO has offered our services to help with the business plan.

MR. BEATTIE:

They were actually miffed that we didn't.

MR. DELUISE:

They were very supportive.

MS. MOSS:

Noel contacted me, and I was able to tell him this is the unit to talk to about the cell tower. I gave him the phone number. They came to the Oversight Committee. The two met and exchange business cards.

MS. ANKER:

Again, I just want to clarify that I am not against the County. I think that's great, but as far as the person who spent so much time and has taken the lead on this, I really feel comfortable having that one on one knowing that Gary can work through that -

MS. MOSS:

Sometimes it's a difficult system to navigate to figure out exactly who to talk to. When he spoke to me I was able to tell him that this was the person from the County to speak to.

MS. GHIORSI-HART:

She is incredibly helpful and responsive not only within Budget Review but anywhere else in the County. We communicate quite frequently.

MS. MOSS:

Carol came to the Parks Committee today, and I said, "Here is the IT guy. This is who is going to give you the six computers." Carol has computers now.

MS. ANKER:

That's great.

DR. GITTELMAN:

Okay, may I move on, please? You should each have in your packet a memo.

MS. GHIORSI-HART:

Yes, a memorandum of understanding.

DR. GITTELMAN:

It's a document that looks like this. We received this just before the meeting. It is a document that has – we're not really clear as to what its history is. We do not know where it came from, whether it was originating with the County Executive or coming from the Legislature, but we do know that it has been discussed between the County Executive and the Legislature. I think you all should take a moment to read it.

MS. ANKER:

Can we ask questions?

DR. GITTELMAN:

No, I don't feel that it's proper to ask questions of Jill.

MS. ANKER:

So if we have questions, just email them?

DR. GITTELMAN:

No, we can discuss them here.

MS. ANKER:

Okay, it's actually about the Oversight Committee.

DR. GITTELMAN:

Again, I would ask you not to address Jill on these questions. I don't want to put her on the spot.

MS. ANKER:

It was actually about the Oversight Committee.

MS. MOSS:

I haven't even seen the document, to be honest.

MS. ANKER:

I was just wondering – regarding the cell towers it says, "The museum shall direct any inquiries relative to a cell phone tower being placed on museum property to the County Cell tower Committee established by the Suffolk County Legislature." We don't have a choice, it sounds like, according to this.

DR. GITTELMAN:

According to this, we don't have a choice.

MS. ANKER:

Is there going to be a representative from –

DR. GITTELMAN:

Again, I'm going to ask you not to ask Jill any questions. I'm going to ask you to direct the questions through the Chair.

MS. ANKER:

Is there going to be a representative from the Oversight Committee at our next Board Meeting, and can we request that and ask questions to this proposal?

DR. GITTELMAN:

It's on the record, so of course we'll ask that there be a representative to be here. There is a representative today, but not somebody who has reviewed this document.

MS. ANKER:

This is an actual proposal, correct?

DR. GITTELMAN:

That's right. Any questions? I don't know whether or not we have been asked to take action on this. There has been no request for us to take action. We have been supplied a copy in the last few hours. Can anybody enlighten me as to whether or not we have been asked to take action?

MR. OLIVIERI:

Is this the final document or is this just a draft?

DR. GITTELMAN:

It says draft everywhere.

MS. GHIORSI-HART:

My understanding is that this initiated or it came from the County Executive's Office. The Legislature reviewed it, made suggestions, changes and sent back a draft, which I think is this draft. They have been waiting for a period of time for a response from the County Executive. That's where they are.

MR. BEATTIE:

Based on that, I don't think it's appropriate for us to even comment on it until it's formally presented to us as a real document.

MR. DELUISE:

Carol, who sent it to you?

MS. GHIORSI-HART:

It was handed to me today.

MR. DELUISE:

For our review or –

MR. OLIVIERI:

Who handed it to you?

DR. GITTELMAN:

It was for informational purposes.

MS. GHIORSI-HART:

Yes, it was for informational purposes. At the Parks Committee, Vivian Vilorio-Fisher asked if we had – well, actually, she assumed that we had seen it and that we might have some questions. The attorney –

MS. MOSS:

George Nolan, Legislative Counsel.

MS. GHIORSI-HART:

George Nolan said he would get me a copy, and someone handed a copy to me later. So officially I'm not sure who it's from. Because the money from the omnibus, I guess, is not going to come until this is finalized, so our problem is, and I did tell BRO that as of today we have \$32,000 in our bank account, and our payroll on Wednesday is \$35,000. We can't just keep waiting for paperwork and things to happen. My understanding is that later in the day Lance Reinheimer did say they will release a small amount of the endowment income to help us, but we're going to be in big trouble in a couple of weeks for the next payroll if things don't move quickly. I'm not sure how quickly they will be able to move on this if we don't have a Board Meeting between now and when they want this signed. We could end up in a lot of trouble here at the museum.

(Mr. Thomas Glascock entered the meeting at 8:05 P.M.)

DR. GITTELMAN:

Is there further discussion? Yes, Michael.

MR. DELUISE:

I would suggest that maybe you give Terry Pearsall a call. He is chairing the Oversight Committee. Maybe you could call and ask him how to move forward with this. We need to know if this is the final document and if we can share it with the Board for our approval.

DR. GITTELMAN:

I certainly hope that they will share it with us as soon as it's a final piece.

MS. GHIORSI-HART:

It requires Steve's signature.

DR. GITTELMAN:

And I won't sign it without approval from the Board.

MR. DELUISE:

And this is not the final piece. Until something is agreed upon, we're going to have difficulty in obtaining any funds.

DR. GITTELMAN:

We don't know that. It may be the case. We don't know whether this is going to stop funding or not.

MS. ANKER:

Can I ask you what happens if you don't get the funds before we need them? What's the next step?

DR. GITTELMAN:

We drift into insolvency.

MS. ANKER:

Can you be more specific?

DR. GITTELMAN:

If we can't meet a payroll, then like any other company, we would have to go to the – in this particular case, we would go to the Legislature and ask for emergency funds. If they refuse to give us emergency funds, we would go to every source we can to find emergency funds. Assuming we cannot get emergency funds, if that's

your question, I imagine the museum would be forced to close its doors.

MS. ANKER:

Even after the override.

DR. GITTELMAN:

Yes, even after the override.

MR. BEATTIE:

This seems to be the implementation of the override.

DR. GITTELMAN:

No, this is not called for in the override. From what I can see, there is no stipulation in the override that calls for a memorandum of understanding like this. I'm not saying that whoever is writing this isn't within their bounds. I'm just saying that from my standpoint and I think some others it was unexpected.

MS. ANKER:

Well, you already wrote the business plan that they requested, right?

MS. GHIORSI-HART:

That's not due until June. We have a draft.

MS. ANKER:

Some of these requests –

DR. GITTELMAN:

Writing a business plan and one that meets that criteria might be difficult.

MR. BEATTIE:

So who should Carol call?

MR. DELUISE:

I suggested that she call Terry Pearsall.

MR. BEATTIE:

I think if need be, if we needed to have an emergency Board Meeting, I'm certainly available to come in and vote on something, if that's what we need to do to keep solvent.

DR. GITTELMAN:

We've done it before. We can do it again.

MS. ANKER:

In the middle of this document, it says, "Parks and Recreation Committee in consultation with the Legislature's Office of Budget Review will determine if this is an acceptable plan." But it doesn't mention Oversight. Is the Parks and Recreation Committee different than the Oversight Committee?

DR. GITTELMAN:

That's correct.

MS. ANKER:

I'm just wondering why it's those two committees. I have questions.

DR. GITTELMAN:

By all means, go ahead.

MS. ANKER:

But you can't answer them.

DR. GITTELMAN:

But by putting them on the record, if you have questions, please let's get the questions out there. At least we know what the questions are.

MS. ANKER:

Why the Parks and Recreation Committee and the Office of Budget Review and not the Oversight Committee itself? That's my question.

DR. GITTELMAN:

It might be possible that the Oversight Committee does not have the power to approve this.

MS. ANKER:

So it says in here in 3 (c) that the appropriated monthly distributions to the museum shall be jointly agreed upon by the Legislative Office of Budget Review and the Executive Budget Office." So that's the Legislative and Executive Office coming together deciding.

DR. GITTELMAN:

That's right.

MS. ANKER:

So my question is, no offense to the Legislature and Executive, but they don't always agree on things. It may be a time element to get funds per month if this is supposed to be dispersed per month. My question is, is that a viable situation?

DR. GITTELMAN:

It very possibly could be problematic. These are good questions.

MS. OLDRIN-MONES:

Also, are our expense divided exactly in twelves? Some months we might have \$120,000 that needs to go out, and in another month it might be \$80,000, but we have to give back --

DR. GITTELMAN:

The cap of \$100,000 -- we weren't consulted. I think this is our chance to put stuff on the record. We were not consulted as to whether a cap of \$100,000 is viable. There are some months we need more and some months we need less.

MS. OLDRIN-MONES:

Like any business.

DR. GITTELMAN:

Especially seasonal businesses. That cap may not be realistic.

MS. GHIORSI-HART:

My concern is, and I know you're thinking is that they will only disburse it as much as we need for the coming month. When we hit September or August, we won't have built up anything to get us through that month where we might need more than \$100,000.

DR. GITTELMAN:

But we would hope that they would take into consideration what we need seasonally. But they are setting up a cap for themselves of \$100,000 a month, which might actually -- that we haven't received say on an average basis per month anything that will arrive at the \$800,000, but there is no cap to the \$100,000. We might see something more than that. So that could potentially be a problem that we would hope they would consider. I imagine these minutes will go forward to them as soon as they are available, and they can look at that and we can communicate with them.

MS. ANKER:

The time line for the star projector – do you have that?

MS. GHIORSI-HART:

As of today there is a time line. It tends to move but that's not –

DR. GITTELMAN:

We don't control the time line. They control it.

MS. ANKER:

So can we go to the catering issue?

DR. GITTELMAN:

Anything that's on here I would say is fair game for on here.

MS. ANKER:

So we'll bring up the RFP for the caterers. I got a –

DR. GITTELMAN:

Let's not talk about specifics of the RFP. Let's talk about the issues of this document first.

MS. ANKER:

They said a date of May 31. I'm wondering –

MR. OLIVIERI:

I brought a copy, by the way, of the RFP.

MS. ANKER:

I have mine also, all 75 pages. I think it would be wonderful if the County would help us with this. I had gotten a draft copy from Lora, and it's just very involved. It looks like it's much more so than I thought it would be, all 75 pages. Again, personally, I don't mind going out and looking for caterers to try to come here and work with us and decide on them, but the detailed steps definitely I think the County would be great to have to work with.

MR. OLIVIERI:

Does the County – do you really think the County can help us with this? Do they have enough personnel and stuff to deal with this?

MS. ANKER:

And who would do that? What department and what person would be–

MS. MOSS:

RFPs usually go through the Purchasing Department.

MR. OLIVIERI:

Would Purchasing pay attention to us and say, "Hey, we're –

MS. MOSS:

If you're looking at a particular item in the document, that would be more so the County Attorney's Office.

DR. GITTELMAN:

I think what we're asking is – I am very uncomfortable with directing questions to Jill. I am very uncomfortable with that.

MR. GLASCOCK:

I doubt if you put the RFP out there that there is going to be a huge response in terms of many, many respondents.

MR. OLIVIERI:

There are a lot of catering facilities out here. There really are. I know four or five who would be dying to get in here right now. But look at that document. It's a lot more complex than even I dreamed possible.

MR. GLASCOCK:

Is there a capital contribution to this?

MS. OLIVIERI:

There are all kinds of stuff in there. Then they have to tailor it to this facility with its limitations and benefits.

DR. GITTELMAN:

I think a fair request emanating out of this agreement would be to say that we have a draft copy of the RFP. Can we send that to the County and ask if they can help us in preparing an RFP that might be appropriate, since the County has said they are willing to help us.

MS. ANKER:

Carol, did you say you had one specifically for the Vanderbilt from 2004?

MS. GHIORSI-HART:

I had one that has some –

MR. OLIVIERI:

That was a draft, though.

MS. GHIORSI-HART:

That had some patch marks and something that might be helpful, but it's not going to be –

MS. ANKER:

Nothing specifically for the Vanderbilt?

MS. GHIORSI-HART:

No.

DR. GITTELMAN:

Are there more questions on this document?

MS. OLDRIN-MONES:

Item number seven, does that mean if you want to hire someone like a console operator that you have to do it through the Oversight Committee?

DR. GITTELMAN:

That's what it means.

MS. OLDRIN-MONES:

That could take a lot of time.

MR. GLASCOCK:

It says prior to entering into the contract the museum must notify of its intention to enter into a contract and notify the Oversight Committee. It doesn't specifically say that we need to obtain approval.

DR. GITTELMAN:

If we read it, it clearly says we don't need approval. It says we need to notify them. But in this climate, I think they want more. I would read into this and say that they want notification and time to discuss.

MR. GLASCOCK:

I would agree with you.

DR. GITTELMAN:

I think the implication is that they want to give approval. Of course, we can get the clarification as to whether we need approval from an Oversight Committee or not.

MR. GLASCOCK:

I would ask them what procedure they would want to engage in. We need to let them know so that they have an idea of what contracts are being entered into or do they want to have something more concrete?

DR. GITTELMAN:

Other questions? It also states that we shall not approve any salary increases for our employees.

MS. OLDRIN-MONES:

Just for the record, our employees haven't had any salary increases in who knows how long.

DR. GITTELMAN:

Are there additional questions?

MS. DELUISE:

Like I said before, I just think that Carol maybe should speak to Terry Pearsall and see where we go from here.

DR. GITTELMAN:

We understand that, but until they have a final document, there is nothing we can do. Can we move on from there? Is there anything else? We're going to move to the Education and Exhibits Committee.

(Ms. Oldrin-Mones read the following report.)

Staff is brainstorming about different grant and funding opportunities. One being explored is *The History Channel's* 'Save Our History' program. As you know, we have a lot of history here at the Vanderbilt. One potential project could be working with local schools to do research on the Motor Parkway connection. This is already a topic of interest with schools. A group of gifted students from the Stewart School in Garden City are entering a NY State archives competition based on their Motor Parkway research. They've already spoken with Howard Kroplick, and are coming to research in our extensive archives in April. Howard is having his 1909 Alco restored to its original condition and still hopes to have it exhibited here at the Vanderbilt. Electricians have already been in to explore the turn table space for security camera work.

The education committee with the help of staff will get a brochure together this Spring for a mailing this summer. It's a priority to have our programs appeal to educators by upgrading the relationship to the standards and tests that drive curriculum. Some of our programs already enjoy great success. The "Our Night Out" program has been requested by teachers who saw it during the February Break when local artist Renee Reichart was a big hit with the sell out audiences. Staff is considering expanding this program by inviting more local artists and authors to participate. (Pass around Brochure)

Other programs, such as Planetarium shows, weather, and mummy programs remain popular. Earth Science programs, which are customized by Lorraine to fit grades 7, 8 & 9 are also in demand.

It's an old business adage that sometimes you have to spend money to make money. That's probably the case with our upcoming Summer Camps. Carol and staff have developed a great theme: Wizzard University, that could be successful if advertised effectively. There will be a ½ page ad in the Recreation Brochure for the Town of Huntington which will publish at the end of April.

Since Carol added Thursday nights to our schedule this year, a new console operator is needed. Thursdays are so popular that Carol is considering adding Wednesdays as well.

The audio tour continues to be developed, with Stephanie's help. Thanks again to Bill Rogers for funding this exciting addition. A copy of our archival Lincoln letter was requested by the Sachem Public Library for a presentation on Abraham Lincoln in celebration of his 200th birthday. Their Librarian happened to be on a house tour and saw the display of our letter from Abraham Lincoln to the Mayor of NY.

If you're in the Habitat and notice that 5 sea lions are missing – don't panic – they'll be back, much improved as soon as Dave Schwendeman finishes restoring them in his NJ studio.

Artist Sean Murtha is coming here to begin work on the Hobart Nichols backgrounds. He was with AMNH for 11 years and did the painted backgrounds for their Millstein Hall of Ocean Life. He now works for the Bruce Museum.

Our newest treasure, the Madonna and child Della Robbia, will be a wonderful addition to our education programs as well as a big draw for adults, art historians, and church groups.

As we know, and the public continually discovers, there's no end to the treasures and surprises at the Vanderbilt. (Pass around Building LI)

DR. GITTELMAN:

Any questions or comments regarding that report?

MS. ANKER:

I have a question.

DR. GITTELMAN:

Sure.

MS. ANKER:

The camp, you said it may need some money. Do you need a sponsorship for the summer camp for the Wizard University?

MS. OLDRIN-MONES:

Absolutely. We could always use sponsorships.

MS. ANKER:

Have you had them in the past? Has anyone ever sponsored the summer camp before?

MS. GHIORSI-HART:

Not in the last couple of years.

MS. ANKER:

The Madonna, I guess that needs a sponsorship for restoration?

MS. GHIORSI-HART:

For restoration, yes, we would need to have a grant or a sponsor.

MS. OLDRIN-MONES:

But you're considering keeping it as is also, right, to show what happened.

MS. GHIORSI-HART:

Yes.

MS. ANKER:

Is there any way to make a list of sponsorship items, just a list of summer programs?

MS. GHIORSI-HART:

Sure.

MS. ANKER:

That would be great.

DR. GITTELMAN:

Any other questions or comments regarding that report? Carol, the Executive Director's Report. Wait, before we do that. I'm sorry. I want to go back to the Audit Committee. Do you have an audit to present?

MR. OLIVIERI:

We did. We finally got it completed. I think everyone has got a copy of it. Lance was very helpful in giving us some comments and helping in getting it done. The Committee found it acceptable. Maybe we could all take a look at it and vote to accept. We're just about on time.

DR. GITTELMAN:

Do we have a motion?

MR. OLIVIERI:

I'd like to make a motion to accept the audit report for 2007.

MS. OLDRIN-MONES:

Second.

DR. GITTELMAN:

Any discussion?

MS. ANKER:

Any problems? Anything unusual than the year before?

MR. OLIVIERI:

No, we had a lot of the problems straightened out. I will tell you the history later, but we had three or four years that were just ignored.

MS. ANKER:

I think that was discussed back in September or October. But everything went smoothly this time around?

MS. OLIVIERI:

This one was nice and – Lance was really good. He got a couple of things done for us. He had a little more weight with the outside accountant than we usually do. He was pretty good in that way.

DR. GITTELMAN:

All in favor? Opposed? **It carries unanimously. (Vote: 7/0/0/8
Absent: Mr. Swinson, Ms. Dwyer, Mr. Gish, Dr. Pecorale, Dr.
Rogers, Mr. Gish and Mr. Sillman. Two vacant positions.)**

MR. OLIVIERI:

One more last thing. We have 2008 to now deal with. Who is going to be the Audit Chairman for that?

DR. GITTELMAN:

Can I have a volunteer?

MR. OLIVIERI:

Why don't we wait until the next meeting then.

DR. GITTELMAN:

Again, do I have a volunteer?

MR. OLIVIERI:

I've done it enough years. Haven't I had enough abuse?

MS. GHIORSI-HART:

I would really like to be on top of our audit. If we are going to be interviewing potential other companies, it would be nice to get going on that. I am committed to getting an audit done on time this year.

MR. OLIVIERI:

That could be an interesting issue when we looked at that other document that was presented to us today from the accountant about outside contractors. We have to pay our outside auditors, and they are very expensive.

MS. ANKER:

Can we get them from the County?

MR. OLIVIERI:

No. In fact, the way the law is the present Treasurer can't even be involved. That's going to be interesting. What did they charge us again for this wonderful document?

MS. GHIORSI-HART:

For the audit, what was the total, Barbara?

MS. OSTER:

Close to \$20,000.

MS. MOSS:

That includes the tax return and the audit.

MR. OLIVIERI:

I'm presuming, as usual, they like to increase their cost to us every year. We have talked about going other places, but quite frankly it's very difficult to find a firm with the expertise to be able to deal with a non-for-profit like this institution is and get it done. It's also a history lag that they have to get into and learn. There are a lot of costs associated with this. We have had some grave difficulties with our present auditors but to find a new one –

MS. GHIORSI-HART:

We have found working with these auditors – I know there have been some issues – I think we have ironed out a lot of the issues. They know us now. I don't want to take the risk of having a lengthy delay if we have to start interviewing other audit companies. I would like to show that we are capable of getting an audit done on time.

MR. GLASCOCK:

I don't know if you would save that much money going with another firm. It's usually between \$15,000 and \$20,000. I don't think you're going to get one at less than that.

MS. GHIORSI-HART:

I know there are issues with this particular group.

MR. OLIVIERI:

Maybe you want to volunteer. Come on, Tom.

MS. GHIORSI-HART:

As far as us on the ground working with the auditors, we found them to be very good to work with.

MS. ANKER:

Can we bring the Oversight Committee or someone from the County in with the auditing process to nudge it along? To me it's black and white. You're paying \$20,000. They have a job to do.

MS. GHIORSI-HART:

No, I don't think that's the problem at this point. If we hire them, they will get along, and I think we will have it done on time.

MR. OLIVIERI:

We won most of the battles.

DR. GITTELMAN:

We have had an ongoing war with these people. They have been intolerable.

MS. ANKER:

I don't think we should use them anymore.

MR. OLIVIERI:

Where were you when I needed you before? I have been saying that for a while.

DR. GITTELMAN:

Despite Carol's statement, I think we have to look for new auditors. I think these people were intolerable.

MS. GHIORSI-HART:

I'm fine with that, but then I want you to start looking tomorrow because I want the audit done on time.

MR. OLIVIERI:

If that's the case, who is going to run that committee?

MS. GHIORSI-HART:

Someone please volunteer because if we wait to the next meeting, that delays us even further. Another two months to gather the different people, then we have to vote on it, and then we're back to October, November.

MS. ANKER:

I won't volunteer for the Audit Committee because I have too much on my plate right now with the sponsorships and things, but I would like to see if the County could help us find another auditing firm. Would that be too much to ask them?

MR. GLASCOCK:

I'm curious who the County uses for outside accounting purposes. I know the town, for example - I'm legal counsel to one of the town's

non-for-profits, and we just started using a new accounting firm this year. Basically it's the same firm that the town uses for like purposes. They were able to get a pretty good deal on that. They also have somebody –

DR. GITTELMAN:

Maybe that accountant wants to work with us.

MR. GLASCOCK:

Maybe.

MR. OLIVIERI:

You see, you're a natural for this chairmanship.

MS. ANKER:

So we don't make him too nervous, Carol, what are the responsibilities of a person that you're asking for, the Auditing Committee's Chair?

DR. GITTELMAN:

For one, I think the Audit Committee Chair would have to work to find a new auditor. That would be the start. The second thing is, the Audit Committee Chair does to some extent work as a liaison between the Board and the auditors to help facilitate moving the audit along. The Auditing Chair does not do the audit. It's been a lot of work for the Audit Chair in past years because these auditors just would not yield on legal opinions that we have received. They just would not bend, no matter what we gave them as proof that we were on the – eventually it turned out that we were correct. They wouldn't move. They delayed us at great cost.

MS. ANKER:

Why would we even think about using them again? I know you're saying they are getting the routine down.

MR. OLIVIERI:

Sarah, it's not that simple because what I was going to say to remind Carol is that don't forget they now have to follow up with the latest tax returns that have to be filed. If we start looking for a new auditor, and they don't do those tax returns, then we have real problems.

DR. GITTELMAN:

The fact that a professional is being considered to be replaced, and they refuse to do the job that they have been paid for is malpractice.

MR. OLIVIERI:

Well, they haven't been paid for the tax returns yet.

DR. GITTELMAN:

But the bottom line is that we paid them everything else for the last four years that we have used these folks. They have been impossible.

MS. ANKER:

I would suggest whoever is working with this auditing situation go to the County for guidance. That's my opinion.

DR. GITTELMAN:

Just because there is willingness on the County to help us, and I'm not saying that we shouldn't go for guidance, I'm just saying that we can't also relinquish our responsibilities. The audit is a responsibility of this Board.

MS. ANKER:

But if no one on this Board is willing to step up and take this forward, then we, as a collective body, need to go and say, "All right, County, we need help. Give us some suggestions."

DR. GITTELMAN:

No, I'm sorry. When the Trustees take on the responsibility of being on the Board, one of the responsibilities as a collective body is that the body itself will subject itself to an audit. We can't go ahead and say if we're not willing to do it, we will just pass it off to the County.

MS. ANKER:

I didn't say the County should do it. I just said we should get guidance from the County.

MR. IADEVAIA:

Maybe what Sarah means is the County uses an outside audit firm, which is independent. Maybe we could interview that firm. Maybe with the County, they might give us a discount because they already do the County's audit, and we're affiliated with the County.

MS. ANKER:

We're looking for help. It doesn't hurt to ask.

MR. DELUISE:

You will still need a Trustee to head that Committee before we move forward.

DR. GITTELMAN:

Some Trustee has to be able to –

MS. GHIORSI-HART:

I'm requesting the Board that we move forward because I don't want to see what's happened in the past – with a new firm, we could well be back to arguing some of these issues.

DR. GITTELMAN:

I don't think we would be back to arguing these issues. These are issues that have been settled in law. The statement has been issued that the new firm has a very clean territory to move forward. We are not going to be arguing as to whether or not the endowment is part of our fund. We are not going to be arguing as to whether the grounds are part of our budget. Those are the items that were argued about. The depreciation of the grounds was something that should directly influence our bottom line or that losses in the endowment should reflect on our bottom line when we neither control them nor were they part of our assets.

MR. OLIVIERI:

My favorite was it was on the County books as theirs and they had it on our books.

DR. GITTELMAN:

We got opinions from the County Attorney, we got all kinds of opinions, and they simply wouldn't go along with the legal opinions. They refused, and they held our statements hostage. If that's what you want as a professional, go right ahead.

MR. GLASCOCK:

That's another reason why it might be worthwhile using a firm that the County uses.

DR. GITTELMAN:

I just don't think we're going to retrace the same steps. I think we have cleared the air on this issue, and we can move forward. I used to do this on behalf of the Board. I did it for many years. I never ran into this kind of roadblock where an auditor wouldn't listen to anyone's opinion and just simply insisted that they were right.

The problem was moving from FASB to GASB. That was the first time. You may have a short memory that when we were on FASB, they originally gave our statements in FASB, not realizing that we belonged

in GASB. I question their expertise, and I have questioned it all along. They learned on our backs and made us pay a dear price. Quite frankly, I strongly recommend that this Board consider a new auditor. I welcome anybody from the County who wants to be the auditor. I welcome going to the County and finding suggestions. But I do think it's the responsibility of this Board to do its own audit.

MS. ANKER:

Does anybody on the Board have a legal background or a financial background?

DR. GITTELMAN:

We have lawyers that are here. That doesn't mean that just because someone is a lawyer, that they have to take on this responsibility. There are other Trustees who aren't here tonight who could also step up to the plate and do it.

MS. ANKER:

Carol, you will email out and maybe see if there are Trustees that are not here –

DR. GITTELMAN:

But in the meantime, with or without a Chairperson we should still submit for bids to obtain a new auditor. We do know what our statements should look like. We can give that to an auditor. I do feel we should request –

MR. OLIVIERI:

Don't forget our taxes are due May 15.

DR. GITTELMAN:

That is irrelevant because this firm will do it. They will do it. Let me put it to you this way. Fine, if you refuse to do it, then we have the wrong auditors.

MR. OLIVIERI:

What they're going to do is they are going to sit there like they did those other years for x-amount of dollars. If you want this done, and you're not going to continue with us as the auditors –

DR. GITTELMAN:

Every year they hold us hostage.

MR. OLIVIERI:

Every year they just hold everything and say, "Well, if you don't pay us, we're not going to give you the documentation."

MS. ANKER:

Well, we can't pay them because now we don't have the money. I agree with you, Steve. I think we should look into another auditing firm.

DR. GITTELMAN:

I expressed and I appreciate your support, Sarah, but the Board should do what it feels is appropriate. I personally feel we need new auditors. I have never had this kind of service.

MS. ANKER:

How can we move forward tonight?

MS. GHIORSI-HART:

I would just like to move forward.

MS. ANKER:

How can we do that? What's the next step?

MS. GHIORSI-HART:

Can the Board –

DR. GITTELMAN:

If various Trustees would be kind enough to recommend to Carol the names of various firms that have experience working with – the complexity here is that we are a not-for-profit who works related to government enough so that we fall under GASB. That is the complexity that tripped up this auditor severely. They were inexperienced and poorly trained.

MR. OLIVIERI:

I just think they were stubborn.

MS. ANKER:

Can I ask one other question relating to the County? I don't know if I can ask that here. Does the County have a similar type of organization within its –

MR. IADEVAIA:

I'm not from the County, but –

MR. OLIVIERI:

He's our accountant, the museum's accountant.

MR. IADEVAIA:

The County uses a reputable firm, one of the big four firms. The only thing I can think of because the County has a lot of slack with them, since they are doing the County audit, they might be willing to look at this. It's not a very difficult audit. It's really only three days of –

MR. OLIVIERI:

The costs are astronomical for some of these firms.

MR. IADEVAIA:

It's a very simple audit. They should be able to do this.

DR. GITTELMAN:

If it turns out that the expense is far greater than the existing firm, then I may have to eat my words and bite the bullet and go ahead with it. But I think we owe it to ourselves to put it out to bid.

MS. ANKER:

Can we do that? I'm sorry I hate to keep interrupting, but I want to move this along. I would like to make a motion that we – what, ask the County for help with our auditing?

DR. GITTELMAN:

We don't need to have a motion for that. Carol can go ahead and start the process of looking for new auditors.

MS. ANKER:

Well, that's overwhelming for Carol. To go to find out if you can get the name for us of those firms, and then –

MR. DELUISE:

Carol, perhaps when you talk to Terry Pearsall, maybe he can help point us in the right direction.

DR. GITTELMAN:

Or perhaps at a later time maybe Budget Review can make some recommendations. Would that be reasonable, Jill?

MS. MOSS:

We could certainly look into it.

MR. OLIVIERI:

Not one other Trustee wants to take that job, huh?

DR. GITTELMAN:

We only have half of our Trustees here.

MS. ANKER:

Just think. It will be so much easier. You will never, hopefully, have to deal with these people again.

DR. GITTELMAN:

Believe me, if you had a firm that's cooperating, it isn't this difficult.

MR. OLIVIERI:

I've had every dirty job for how many years now?

DR. GITTELMAN:

We voted on the audit, so that's through. Executive Director's Report.

MS. GHIORSI-HART:

It seems like so long ago, and we're already on to the next crisis of new problems, but we can't forget that we did have a great success. We did override the veto. That was huge for us. Let's just take a second to congratulate all the people who worked so hard, Legislator Vilorio-Fisher, Jon Cooper, Bill Lindsay, there are many there, 12, in fact, who in the end stepped up. We needed all 12. I also want to thank the Trustees who showed up to speak. Ron Beattie was there, Noel Gish, Gretchen, and Lynn, as well, were there. I think it did make a difference to see how involved this current Board is. That's the good news.

The \$800,000 to supplement our operating income does seem to be in place. As you see, we're still working the details out in how we're going to be getting the money and in what way. We have not received any of that money yet. We received \$45,000 in February from the endowment investments. We have requested another \$41,000 on February 15. That's being held up. That's why today we're getting a little nervous because we had expected that disbursement by now.

It's been still a very busy month with meetings. I did attend the override meeting, as well as the meetings today with the Parks Committee. I had a brief meeting after that with the Presiding Officer's PR people. We had a very good meeting and conversations about help coming with our PR and getting out some of our press

releases and information. We will be collaborating and working a little bit more with them. We did discuss some bigger issues of marketing, branding and things like that. That is certainly an area that we all feel is very critical and important for us. We all know we have an incredible facility here, the museum and the planetarium, and we need to make sure that everyone knows about us.

I hope many of you saw the wonderful press we got on the della Robbia Madonna sculpture. We had a huge article in *Newsday* and photographs in the *New York Times* and many of the local papers. It did bring people to the museum to look at the della Robbia. We also got a lot of interest when the veto was overridden, as well. There were articles coming out. It's become more and more clear how important we are, not only to the school children and the people that visit us, but people within Suffolk County, the Legislators. They are really stepping up. We are getting help from a lot of different corners. That's all very positive.

I also had a meeting with the County in the County Executive's Office with a management team looking over the capital project requests. We will be having more meetings with Budget Review and subsequent meetings probably with the County Executive's Office as well in talking about what projects we have ongoing and what I submitted for and what I'm asking for, new money in subsequent years.

Some of the ongoing projects are being held up. It's very hard for us – when we start planning capital projects, the Vanderbilt Museum, our staff has very little control over the progress of the work and the timetable. I'm in constant contact with Jim Ingenito, our liaison at DPW. We have a lot of communication, but for the most part we really have no say in the speed of things, certainly. Things can just stall. I don't know what it will take to get some things moving.

For example, the two waterfront projects, 7427 and 7428, the seaplane hangar, the boardwalk, the access and removal of the ramp, the money has been appropriated. The plans are all in place. The permits are all together. We had timelines and plans for spring construction start, and now it's maybe three or four weeks ago the RFP was written and ready to go out. The ad was to be placed, and the day the ad was to be placed, the Commissioner of DPW said all Vanderbilt projects are on hold. They are stopped. Presumably, that's coming from someplace else. It's just stopped. I have been asking in the County different places, "What do we need to do get that moving?"

It's stopped, but who is stopping it? And what can we do to get it moving?" I have no answers to that.

My concern here, particularly on those two projects, elements of those projects concern safety of people who might be walking on the beach. We know that's a concern. The buildings, the seaplane itself has a huge problem with a steel beam. DPW said they're wondering what's keeping it up. This was not putting on pretty facades or adding extra things. Part of the boardwalk project was building a new boardwalk, but in addition to the new boardwalk was removing the ramp that's there. If you haven't been down recently to the seaplane hangar we need to go down there. We have some photos. I didn't bring them with me, but it's in disrepair. So we're not talking about projects that DPW feels can be put off or I feel that can be put off. Again, the money has been appropriated. It's there, but it's not coming. So no matter what timetables I can come up with, it's very hard to influence projects like that.

MS. ANKER:

Who approves these capital projects?

DR. GITTELMAN:

No, they were voted in by the County Legislature, approved by the County Executive.

MS. ANKER:

So you never found out who is stopping the projects.

DR. GITTELMAN:

The implication is that it's the County Executive's Office.

MS. GHIORSI-HART:

So those are two projects that concern me very much. We are requesting capital project money for planning money this year for our bridge that we had engineering reports suggesting that it needs to be replaced in the following year, \$1 million. That's the estimate at this time for what it would cost to replace that bridge. This is considered, again, an emergency urgent kind of need.

We are also requesting money in the façade project. This is an ongoing project. It's anticipated the money that's already been appropriated is going to fully be spent on the tower with potentially more. Again, it's not just decorative work sort of extra. Some of it could be structural and a lot of it is safety.

MS. ANKER:

A million for that little bridge?

MS. GHIORSI-HART:

The bridge that you cross over to get into our courtyard, yes. As we said, that –

MS. ANKER:

That's crazy.

MS. GHIORSI-HART:

I don't make up the numbers.

DR. GITTELMAN:

Is it your point that it's crazy to rebuild the bridge or it's crazy because it's very expensive?

MS. ANKER:

No, that it cost so much money.

MS. GHIORSI-HART:

With all these DPW projects –

MS. ANKER:

I have a bridge that I want to sell you. How about if I go and ask for corporate sponsorships for that?

MS. GHIORSI-HART:

These estimates are all coming from DPW. We don't generate any of these estimates.

MR. OLIVIERI:

A naming project for the bridge.

MS. GHIORSI-HART:

I'm not an engineer. We don't generate. We don't bid out. When I get a cost, it's all coming from DPW. There are many reasons why the County's costs for doing certain projects is a lot more than we – if we hired someone to do it.

MR. OLIVIERI:

It's also the nature of this museum, especially when you're looking at the historical stuff. Every time you wanted to replace something, like those iron railings, we had to go down to the original person who –

MS. GHIORSI-HART:

But for this, again, the bridge I don't think it's the historical nature of it that's the problem. It's just inherently it could be a difficult thing. They haven't done all the investigations. That's this coming year what they'll do. So they will have a better handle on exactly how much it's going to be. That's the working figure right now. Again, I have to remind people that it's not just vehicular access to our courtyard. It's handicapped access. The tower as well for a period of time during Arrow Week we couldn't go underneath that tower. That meant anyone who was disabled or elderly couldn't visit the museum. That's a problem.

MS. ANKER:

Can we ask for help from these people? It's the Long Island Building Magazine? They are featured on the back cover. I'm serious. Have you tried to see if we can ask for donations for –

DR. GITTELMAN:

By all means, go ahead.

MS. ANKER:

Okay, I'll give them a call. Do you have a contact person?

MS. GHIORSI-HART:

I don't.

MS. ANKER:

I can go on-line. They have a website. I can find out who the publisher is. With that in mind, how much can a donor do? In other words, that would be a capital project for the County.

DR. GITTELMAN:

Right, the money that we need is operating.

MS. ANKER:

But what if they say, "I'm going to help you build your bridge."

MS. GHIORSI-HART:

This is an interesting thing I have been discussing with DPW. Suppose I could get a private person to come in to do this, and they can do it for \$500,000, and they are willing to donate it. They said that it still has to go through DPW. There are some issues there. The seaplane hangar, the same thing. We have to look into it.

MR. OLIVIERI:

There is always an issue with that. If you remember, we had the new furnaces to be put into the buildings. That took how many years to get done with DPW because it was just a huge lag. Key Span was giving us a wonderful discount because we were putting in gas furnaces. That took years. We were living with these 50 year old oil burners that were just chugging away. One of my little projects was getting on the horn and trying to get that done. That was another long nightmare. We were hurting at one point. We asked Key Span, and they stopped. They gave us foundation money in lieu of discount money on their books. This is the stuff that goes on sometimes. My point is, they would want to give us money, but they couldn't because DPW had to do it. The county had to do it.

MS. ANKER:

So can we ask the County if we had a substantial donation to help with capital projects, for whatever reason, can we acquire that money? Is it legal? Can we do it?

MR. GLASCOCK:

We can accept donations, but I don't think you can make expenditures without going through a public procurement process because it's a County owned facility.

MS. ANKER:

Again, basically, they can't build the bridge. A private company, a construction company, cannot help with –

DR. GITTELMAN:

The County has to bless it.

MS. ANKER:

But it can be done.

DR. GITTELMAN:

I don't know if it's unprecedented, but it would be unusual.

MS. GHIORSI-HART:

It would have to go through DPW, we believe.

MR. OLIVIERI:

Key Span wanted to put their furnaces in for us, and DPW said, "No, we have to do it."

MS. ANKER:

Well that was a couple of years ago.

MR. OLIVIERI:

Four or five years ago, yes.

MS. ANKER:

Can someone ask the County if that's possible? Can we ask Terry?

DR. GITTELMAN:

I'd really like to have – it would be terrific if we had a targeted project that we wanted to accelerate that we didn't have County funding or that the County funding was insufficient. For example, the seaplane hangar, the money was insufficient.

MS. ANKER:

If we name it after the donor, and it's –

MS. GHIORSI-HART:

I have had discussions and we have talked a little bit, that if we had a firm offer it would go a little further. At this point, I'm not sure.

MS. ANKER:

But the problem is, if I was to go to someone and say, "We have these projects we're doing. Here is a list," and they want to donate, and then we come back and say, "I'm sorry, you can't do that."

MS. GHIORSI-HART:

They can donate money. There wouldn't be any trouble with that. The problem is donating services –

MS. ANKER:

Specifically to the seaplane hangar.

DR. GITTELMAN:

No, the County has accepted donations that went toward projects related to the seaplane hangar. Bill Rogers offered \$1 million that was accepted and put in but it hasn't been acted upon in nine years.

MS. ANKER:

But they will accept that.

DR. GITTELMAN:

They will accept the money, no problem.

MS. GHIORSI-HART:

I wouldn't worry about that. The issue would be whether they would accept an in-kind donation, a construction company to come in and do that work, that's where in my conversation it's not clear. I'm not sure hypothetically if they would be able to ask us if we had a more firm proposal, they probably would deal with it.

DR. GITTELMAN:

If we had specifics, we could argue the case.

MS. GHIORSI-HART:

It's certainly worth pursuing, but nothing is easy. You can't assume anything.

By the way, as of today, the burners are in the cottage, right, Peter?

MR. NEWMAN:

They are running the gas lines.

MS. GHIORSI-HART:

So we are getting there. The cottage, the boathouse –

DR. GITTELMAN:

What has it been, four years?

MR. OLIVIERI:

Five plus. I'm only here four, so I know we were two or three years into it before I got here.

MS. GHIORSI-HART:

We are moving along.

MR. GLASCOCK:

The head of the building program in the Town of Huntington once told me the wheels of government grind very slowly but they grind very fine.

MS. GHIORSI-HART:

I won't take your time, but we have about 15 ongoing capital projects right now. We request very little money because of the way the situation is. I'll know more about that when I talk to the County Executive's Office.

The biggest project that is on everybody's mind, of course, is the replacement of the Goto projector. If I could just give you a quick status report on that. An RFP did go out for the engineer who will be overseeing that. That person will be hiring the planetarium consultant. They were all in negotiations because there is \$100,000 in planning, and that was it. As of today, it looks like it has been negotiated to everyone's satisfaction. Hopefully within the next week, those contracts will be signed with a planetarium consultant, with an engineer, and our planetarium consultant can start working on the RFP for the actual equipment. Again, things are moving very slowly.

MR. OLIVIERI:

Does that include the new electrical box and all the other wonderful stuff that goes along with that?

MS. GHIORSI-HART:

Everything that will be needed in order to have a functioning planetarium projector, full dome video system, stereo. Everything else is going to be a lot of alternates, but built into the project is any electrical that needs to be done, new HVAC. There is some of that that is incorporated in this project. It's not just going to the projector store and buying projectors.

MS. ANKER:

But is this consultant local?

MS. GHIORSI-HART:

No, he is from Chicago. He is an expert in planetariums.

MS. ANKER:

Is there any way, and this is something that I would like to see happen, of creating a committee of planetarium directors that are from Long Island that have been through this and that are experienced in the projectors and get input from them in addition to the –

DR. GITTELMAN:

The nearest dome of any size is in Manhattan.

MS. ANKER:

Well, I work at Longwood School District. They have a planetarium. I work at West Islip, and they have a planetarium. There are a lot of different –

DR. GITTELMAN:

It's a different animal.

MS. ANKER:

In fact, aren't they meeting tonight? They meet here. There are a lot of planetarium directors on Long Island.

DR. GITTELMAN:

No.

MS. GHIORSI-HART:

No.

MS. ANKER:

I know six.

DR. GITTELMAN:

But they're small. They don't function at this level. The equipment they use would not – the consultant that we hire would do this. He advises this size planetarium, this type of equipment. This is his game. There were only two to pick from, I think.

MS. GHIORSI-HART:

There were two with international reputations that could do this.

DR. GITTELMAN:

So we're talking about somebody with an international reputation who makes a living doing this.

MS. ANKER:

And that was \$100,000.

MS. GHIORSI-HART:

No, the planning money is for the whole project. It includes the engineer and the consultants and there's a lot that – he's going to be subcontracting to the engineer.

MS. ANKER:

So that's the engineer and the consultant.

MS. GHIORSI-HART:

I don't know what the arrangements are. This is very extensive. There is going to be a lot of electrical work that needs to be done and other engineering that needs to be done, plus the installation.

MS. ANKER:

The reason why I bring this up is because these directors, and I've met a lot of them -- in fact, one of them from Longwood used to work here. He used to be --

MS. GHIORSI-HART:

A number of them used to work here.

MS. ANKER:

A lot of them used to work here.

MS. GHIORSI-HART:

I know staff is in communication with them. They're friendly during communication. The planetariums that we're talking about are very small school based. It's a whole different animal.

MS. ANKER:

I know what you're saying, but the point is they're in the business; they read the most updated information about projectors. They are into astronomy. I just think it would be very important for them to have input to give us, to give the Board input, on these projectors. I really feel very strongly about this. I think it's something that before we go forward and spend millions of dollars that we get advice -- not even advice but get input from these directors. It's just a suggestion. What process are we at?

MS. GHIORSI-HART:

It's out of our hands.

DR. GITTELMAN:

If we do that, we will slow ourselves down by a year. If we start a new process of advising and consulting and trying to incorporate that into this RFP, we are going to slow this down immensely. I strongly recommend we not go there.

MS. ANKER:

So can these directors put in input into the County?

DR. GITTELMAN:

Yes, Gretchen.

MS. OLDRIN-MONES:

Can I just change the topic for a second while we still have a quorum?

DR . GITTELMAN:

Yes.

MS. OLDRIN-MONES:

Could we vote to accept the minutes from the February meeting?

DR. GITTELMAN:

I have a motion to accept the minutes from February.

MR. OLIVIERI:

I'll second it.

DR. GITTELMAN:

All in favor? Opposed? **The minutes are approved. (Vote: 7/0/0/8 Absent: Mr. Swinson, Ms. Dwyer, Mr. Gish, Dr. Pecorale, Dr. Rogers, Mr. Gish and Mr. Sillman. Two vacant positions.)**

Are you about to leave?

MR. OLIVIERI:

Yes, I have to be up early.

MS. ANKER:

Can we address this at the next Board meeting? Again, I'm really concerned because what happened with these projectors after the school districts bought these expensive projectors, they found that the way they were being installed was that they were being installed incorrectly. It wasn't until input from other directors that they figured out what was wrong. It happened at a number of different planetariums on Long Island. My point is, I think that if we're spending – we, as Board of Directors, are allowing the County to spend millions of dollars. There should be as much input as possible. You're saying it's a done deal. This consultant is going to –

MR. OLIVIERI:

We have been a talking about this for how many years now?

DR. GITTELMAN:

You're coming in after a five year span on this. I really don't want to start it over.

MS. ANKER:

No, I'm not saying we should start it over.

MS. GHIORSI-HART:

His responsibility is going to be – and again, he has just come from San Francisco where he installed a world class planetarium. His responsibility is to make sure that everything works. That’s why they wanted a planetarium consultant. So it’s not just what equipment do we buy. Part of his contract is going to be to ensure that he’s here, that it works, that sort of thing.

MS. ANKER:

So he hasn’t decided on the type of projector?

MS. GHIORSI-HART:

Because it’s a very complex thing, as you’re saying, he is developing the RFP. It’s going to go out. There will be decisions to be made. We will be consulting – our staff here will be consulting with the consultant who certainly will have advice. Our staff has been studying this for years. DPW is involved. It’s an RFP so the County will be looking at what comes back.

MS. ANKER:

So if the directors want to come, they can go to the County to submit comment relating to the projector purchase. Is that true?

DR. GITTELMAN:

We can’t stop anybody from making comment.

MS. ANKER:

That’s what I’m trying to find out. Where does the input go? It goes to the County before they purchase it. Or would it go to the consultant that’s been hired.

DR. GITTELMAN:

I don’t know.

MR. BEATTIE:

I know we had a brief conversation when you gave me the tour a few weeks ago. Does it make any sense and would it help you – again, my comments to the Legislature and the Oversight Committee were to support you and what you’re doing. I think you mentioned something, that there used to be a Buildings and Grounds Committee for the Trustees. I would volunteer to Chair that Committee.

DR. GITTELMAN:

We would be glad to have you do that.

MS. GHIORSI-HART:

That would be terrific.

MR. BEATTIE:

Maybe I could do some of the heavy lifting for you with the relationship with the County and DPW.

DR. GITTELMAN:

Buildings and Grounds didn't typically speak to the Legislature, as much as it spoke to the Board. If it's a Committee of the Board, it reports to the Board.

MR. BEATTIE:

Okay.

DR. GITTELMAN:

But we'd be very happy to have you do that. That would be wonderful.

MS. ANKER:

One last thing. As far as media, Gretchen, if you have some summer programs with Carol coming up, email me the information and I can send that out. I know you mentioned you spoke with the PR people over at the County, but I have direct access to get it to the media, at least in the areas that I work with.

MS. OLDRIN-MONES:

That would be great.

MS. ANKER:

To try to drum up some more summer business. This could keep the Vanderbilt and the media in a positive way.

DR. GITTELMAN:

Are you done with your report?

MS. GHIORSI-HART:

Yes.

DR. GITTELMAN:

Okay, the President's Report. There was a vote in the Legislature this afternoon, a vote that failed. This particular resolution, I think, is particularly critical to the future of this institution. I want to bring it to the attention of the Trustees at this moment.

As you know, the \$8.2 million that remains in the endowment was originally in a blend of equities and bonds. I'm not exactly sure what the proportions were on the day that the decision was made to liquidate all of the equities, but the point is that the current income on the fund is approximately 1 ¼ percent.

A resolution has been processed, and I think quite wisely considered by Legislator Lindsay, to come up with a new investment policy for the endowment. I don't know what percentage you would like to use in terms of estimating what the income might be from the endowment if it were invested. But let's say for a moment that if it was invested at 3 ¼ percent as opposed to 1 ¼ percent, that 2 percent on \$8 million will be a very important income for this institution considering our current situation.

Unfortunately, the committee did not choose to pass this out of committee. The bill remains essentially in suspension at the moment. I think it's something that I need you to understand, that while we are desperately seeking funds, if we lose 2 percent on \$8 million, that is \$160,000 a year. The deficit that we are speaking of for this year is approximately the difference between the funds that are not being returned by the endowment in its current state and 3 ¼ percent. I'm not saying we can get 3 ¼. I'm not saying you couldn't get more. But the point is, at this juncture, the endowment is not properly invested. It's in cash to a great extent. I don't want to put anyone on the spot. I just want you to understand that each month that the Legislature delays acting on this legislation, we stand to lose \$15,000 to \$20,000 worth of income that could be coming to this institution. It could be the difference between survival and failure. It certainly would cover the deficit that we now speak of. When we calculated the budget that we originally gave you, we were considering that the endowment would yield more than 1 and a fraction percent.

This is important legislation for us. This is not – on one hand, I would not argue the point that to avoid the freefall that the endowment was experiencing that the Legislature acted reasonably promptly and professionally in liquidating the equities. But I would say that at this juncture, it's time to invest the fund. I ask you to consider that, perhaps contact Legislators that you know and let's see if we can get some version of this bill moving forward.

MS. ANKER:

Do you have the bill?

DR. GITTELMAN:

I don't have a full copy of the bill in front of me. I do have a single page. Oh, wait. You do have a copy the entire bill in your packet. I recommend that you look at it. I am not going to say that I am a professional. The only part about this bill that I found bothersome was the second resolved which limited the term to 12 years or less. I would have hoped that on that term that a longer term could have been considered. Since the Legislature chose to liquidate these funds and take them from equities to cash, I know I have purchased 5 percent from – on paper that would have qualified for this. I'm not suggesting that they should have thrown it all where I purchased it. But I am saying that 5 percent was reached during the term. We could have been in a purchasing mode using the cash. Instead it's sitting there now for about five months. We have lost five months worth of income. We are losing that income every month. To me this is something that is very important because certainly if it's – and I'm using rough numbers, if it's a \$200,000 gap, that makes a huge difference.

MS. ANKER:

Personally I don't think you should touch anything until 2010. I'm very nervous about the market right now. That's my personal opinion.

MR. GLASCOCK:

But there are money markets out there that are making 3 ½ percent.

DR. GITTELMAN:

There are money markets that are making 3 ½ percent. This is a not-for-profit. We are tax exempt. If you can get 3 ½ at a money market, if that's what you chose to do – I shouldn't even criticize and I shouldn't have even offered my opinion. All I am saying is that make a decision. If you can leave it in cash, then understand that that's income we will not have to operate on. That's fair enough to say. But if you're going to invest it, do it.

MS. ANKER:

Can I ask a question? Where is it invested right now?

DR. GITTELMAN:

It's not invested. It's in cash.

MS. ANKER:

There is absolutely no –

DR. GITTELMAN:

Half the fund is in cash. Jill, may I ask you that?

MS. MOSS:

My estimate is that the bonds are about \$1.5 million and the cash is about \$6.8 million.

DR. GITTELMAN:

Thank you, Jill. I underestimated. We are \$1.5 million in bonds and \$6.8 million in cash. If you're comfortable with that, then by all means express an opinion that you're comfortable with it. I'm only bringing it to your attention because I'm not.

MR. GLASCOCK:

The Oversight Committee is there to watch the Vanderbilt and the operations and make sure that everything is going well. It can be used as a vehicle to push the County along on agendas as well, correct?

DR. GITTELMAN:

We can certainly hope that the Oversight Committee will speak to the Legislature as much as we might. I still believe that we are the Board of Trustees. As the Board of Trustees we should have an independent voice.

MR. GLASCOCK:

That's a face at the County to communicate with, to go to and say, "We're concerned about the way this is invested. We're concerned about these projects." Rather than just giving them information, perhaps we should get information from them and communicate with them issues and concerns that the Vanderbilt has.

DR. GITTELMAN:

Of course. I think we should. But I also still advocate that although we should work with the Oversight Committee, there is nothing wrong with us working with the Legislators that appoint us. They are the ones who vote. At least I'm putting on the record my doing, that this bill should be acted upon with as much energy as any other bill. This is very important to us. And that it didn't make it out of committee today to me is a problem. That's all I'm saying. To be \$6.8 million is cash when we could be at 3 percent is a huge difference because that's 3 percent of \$6.8 million. That gives you \$200,000 right there. I guess I'm asking for that. Please we need to get this done. If we go

to the Oversight Committee, we can certainly say it there, but there's nothing wrong in saying it to other Legislators you might interact with.

MS. ANKER:

So it's making an annual 1.3 percent cash? Is that what it's making now? If we put it in a money market account, would it be safe? Is that a safe –

DR. GITTELMAN:

Where it is now –

MS. ANKER:

Either way –

DR. GITTELMAN:

Either way we're not holding it.

MS. MOSS:

Part of the discussion today at the committee was a request for expressions of interest. The Legislature would like to see what other investment firms would suggest for the investment of the funds.

DR. GITTELMAN:

What's interesting here is that the Legislature has employed an investment counsel. Investment counsel has given them advice as to perhaps what to do. My view would be do it quickly. Just get your advice and move. To delay is just exasperating the situation. I don't think they would tolerate this from us. That's the end of my report.

Wait, I will say one other thing. Yes, I totally agree with Carol on a number of points. The greatest of it is that there were 12 Legislators who stood up on our behalf. There are certainly a number of them -- Cooper, Lindsay, Viloría-Fisher – we owe them our gratitude. They have been stalwart supporters. I hope I haven't omitted anyone by accident. Clearly, we are supported by the majority, enough to override the County Executive. To me this is not a victory. It's a very unhappy moment where we have to struggle just to survive. We do have support. We are looked upon favorably. This is the jewel of the County. I am very grateful for those who put themselves to the mat to make this happen. I hope they are reading these minutes right now or when they do eventually get them. I want that message to get to them. I hope I speak for all of you.

In terms of thanking people, there is one thing I want to say. I don't want to forget this even in this crisis. It sounds so trivial. But there are Trustees who have left who have done a good job. We have not reached back to that particular category of employees and thanked them. Some have called. We typically give them a fish. It's a reproduction of Mr. Belanski's fish. I would like to call back the Trustees while we still are functioning as a Board. If that were to ever stop, I would like to call back those Trustees who served and invite them to get their fish if it's okay with you.

MS. ANKER:

Again, I think I'm looking forward to planning some fundraisers coming up hopefully sooner than later, but maybe we could honor those Trustees at the event.

DR. GITTELMAN:

There will be some fundraisers that come up shortly. I hope to be able to reach out and do what we can to support them. That would be the end of my comments. Is there any old business? New business? We have not established a need for an executive session. Therefore, we will not take one. Can I have a motion to adjourn?

MR. GLASCOCK:

Motion.

MR. DELUISE:

Second.

DR. GITTELMAN:

(Vote: 6/0/0/9 Not Present: Mr. Olivieri. Absent: Mr. Swinson, Ms. Dwyer, Mr. Gish, Dr. Pecorale, Dr. Rogers, Mr. Gish and Mr. Sillman. Two vacant positions.)

(Dr. Gittelman adjourned the meeting at 9:30 P.M.)

SG:ap
Attachments

PROJECTED CASH FLOW THRU APRIL 2009

REVENUE

Projected Revenue	\$145,400.00	Includes 41,700 requested 2/13
Cash on 3/12/09	\$54,800.00	
Total Cash & Rev	\$200,200.00	

EXPENSES

wages	\$100,000.00	3/26,4/9,4/23
outside professional *	\$7,000.00	*
supplies operations	\$2,400.00	Home depot/Mother Earth
postage/printing	\$1,200.00	
office /Program supplies	\$6,000.00	Edu/ Planet show, Gift shop, copier/Ad
utilities *	\$30,500.00	*
employee benefits *	\$29,100.00	*
insurance	\$3,600.00	D&O, crime, fiduciary, work comp
security	\$12,000.00	March/April
	<u>\$191,800.00</u>	
accounts payable*		
3/12/2009	\$51,000.00	

Total Exp & A/P \$242,800.00

Net gain/loss (\$42,600.00)

* AP does not include liability insurance to County

*		*		*	
Utilities		employee benefits		outside professional	
electric	10,000	health	22,000	simplex	2,000
heat	14,000	pension	4,000	CPA	1,500
cartage	1,600	life	700	ADP	500
telephone	4,500	Benefit Fund	-----	Johnson	2,000
water	400	Unemp Ins	2,400	Performer	1,000

**VANDERBILT MUSEUM AND
PLANETARIUM
REVISED BUDGET
2009**

<i>Revenue</i>	<i>2009 June 08</i>	<i>2009 Revised</i>	<i>2009 ED Recommended</i>
Admissions	\$675,000	\$ 800,000	\$ 700,000
Membership	\$32,000	\$ 60,000	\$ 40,000
Museum Store	\$70,000	\$ 75,000	\$ 70,000
Special Events	\$90,000	\$ 150,000	\$ 120,000
SC General Fund		\$ 800,000	\$ 800,000
Endowment	\$1,200,000	\$ 45,500	\$ 45,500
Site Use	\$170,000	\$ 112,500	\$ 100,500
Donations & Gifts	\$70,000	\$ 125,000	\$ 80,000
Other General	\$1,800		
Total Earned Income	\$2,308,800	\$ 2,168,000	\$ 1,956,000
Expenses		2009 Projected	2009 Projected
Salaries & Wages	\$895,300	\$ 980,000	\$ 980,000
Benefits	\$319,000	\$ 300,000	\$ 300,000
Maintenance & Equipment	\$87,000	\$ 110,000	\$ 110,000
Insurance	\$82,000	\$ 75,000	\$ 75,000
Professional	\$475,000	\$ 260,000	\$ 260,000
Museum Store	\$35,000	\$ 35,000	\$ 35,000
Telephone Communi.	\$32,000	\$ 28,000	\$ 28,000
Utilities	\$217,000	\$ 200,000	\$ 200,000
Supplies, Prgrm, Ball	\$116,500	\$ 110,000	\$ 110,000
General Expenses	\$50,000	\$ 70,000	\$ 60,000
Total Expenses	\$ 2,308,800	\$ 2,168,000	\$ 2,158,000
			\$ 202,000

Suffolk County Vanderbilt Museum

**Financial Statements
and
Auditor's Report**

Year Ended December 31, 2007

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Independent Auditor's Report

To the Board of Trustees
Suffolk County Vanderbilt Museum

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Suffolk County Vanderbilt Museum (the "Museum") as of and for the year ended December 31, 2007, which collectively comprise the Museum's basic financial statements as listed in pages 9 and 10. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Museum as of December 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 4 through 8 and page 17, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

DATE

**Suffolk County Vanderbilt Museum
December 31, 2007
Management Discussion and Analysis**

Our discussion and analysis of Suffolk County Vanderbilt Museum's (the "Museum") financial performance provides an overview of the Museum's financial activities for the fiscal year ended December 31, 2007. Please read it in conjunction with the Museum's financial statements.

Discussion of Financials

This report consists of a set of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Museum as a whole and present a longer-term view of the Museum's finances.

Financial Highlights

Net assets of the Museum's activities decreased by more than 22% when compared with the prior year. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by donor restrictions, enabling legislation, or other legal requirements is a deficit of \$(509,426) at the end of this year. Unrestricted net assets are available for future use as directed by the Museum and approved by Suffolk County.

A comparative analysis of prior year's financials is presented below.

Condensed Financial Information:

The table below compares key financial information in a condensed format between the current year and the prior year:

	December 31 2007	December 31 2006	Increase (Decrease)
Current assets	\$ 202,526	\$ 198,109	\$ 4,417
Capital assets	<u>87,869</u>	<u>101,369</u>	<u>(13,500)</u>
Total assets	<u>290,395</u>	<u>299,478</u>	<u>(9,083)</u>
Long-term debt	25,831	25,831	
Other liabilities	<u>574,266</u>	<u>525,653</u>	<u>48,613</u>
Total liabilities	<u>600,097</u>	<u>551,484</u>	<u>48,613</u>
Net assets:			
Invested in capital assets	87,869	101,369	(13,500)
Restricted for future investment in capital assets	111,855	150,000	(38,145)
Unrestricted	<u>(509,426)</u>	<u>(503,375)</u>	<u>(6,051)</u>
Total net assets	<u>\$ (309,702)</u>	<u>\$ (252,006)</u>	<u>\$ (57,696)</u>

**Suffolk County Vanderbilt Museum
December 31, 2007
Management Discussion and Analysis**

	December 31 2007	December 31 2006	Increase (Decrease)
Revenue and support:			
Admissions and memberships	\$ 645,732	\$ 634,061	\$ 11,671
Site use rental and museum store	136,340	211,878	(75,538)
Donations and special events (net of direct expenses)	84,559	139,365	(54,806)
Endowment distribution	1,200,000	1,200,085	(85)
Other income	<u>57,029</u>	<u>54,886</u>	<u>2,143</u>
Total revenue and support	2,123,660	2,240,275	(116,615)
Expenses - educational services	<u>2,181,356</u>	<u>2,245,979</u>	<u>(64,623)</u>
Change in net assets	<u>\$ (57,696)</u>	<u>\$ (5,704)</u>	<u>\$ (51,992)</u>

Budgetary and comparative financial analysis

REVENUES:

Admissions: Revenues associated with admissions were on par with the prior year, but fell short of budget projections by approximately 22%. Since 2003, the primary equipment necessary to conduct the Museum's "Laser Show" has been intermittently operational. Laser Show revenue estimates were based on income levels achieved by the Museum in past years when uninterrupted operation of the system was successfully achieved. Although repairs to the Laser show system were completed in January 2006, attendance during 2007 did not increase back to historic levels as quickly as had been expected. This resulted in an unanticipated loss of revenues in 2007.

Special Events: Revenues associated with Special Event activities were 74% less than projected and 8% higher than 2006 totals. It was estimated in 2007 that the full-time staff position responsible for planning and conducting special events would be filled. This was accomplished, but for only a small portion of 2007, resulting in a less than anticipated increase in revenues associated with this area.

Site Use/Rental: Income derived from private rental of Museum grounds and site areas for weddings and other social occasions was approximately 12% lower than 2006 and approximately 15% lower than projected. In 2007, site use rentals were impacted by capital improvements conducted in the spring in the area of the Museum catering tents. This hampered the Museum's ability to book rentals during these months, resulting in a loss of expected revenues.

Museum Store: Similar to the prior year, retail revenues were approximately 47% less than projected for 2007. The decline in anticipated retail sales correlates directly to the decrease in Laser show admissions. 2007 projections were based on a larger attendance base anticipated in connection with reopening of the Laser show. As previously mentioned, attendance numbers did not increase to historic levels as quickly as had been expected.

**Suffolk County Vanderbilt Museum
December 31, 2007
Management Discussion and Analysis**

REVENUES: (Continued)

Membership: Membership revenues missed budget projections by more than 53% for 2007 and increased about 89% since the previous year. As mentioned under the *Special Events* section above, it was estimated in 2007 that the full-time staff position responsible for outreach and management of memberships would be filled. This was accomplished, but for only a small portion of 2007, resulting in a less than anticipated increase in revenues associated with this area.

Donations and Gifts: Donation and gift revenue to the Museum decreased 57% in 2007 and was 38% lower than projected. This was due to the loss of a large non-cash donation (over \$46,000) of advertising received by the Museum over the past two prior years.

Forgiveness/Write-off of Vendor Payables: The Museum recognized over \$52,000 in revenue related to the forgiveness/write-off of vendor payables in 2006. No such write-offs were recognized in the 2007 year.

Miscellaneous/Other: Miscellaneous revenues in 2007 were nearly 79% less than budgeted, and 16% lower than 2006 actual totals. This category is a very minor component of Museum revenues accounting for less than .05% of the Museum's total annual revenue.

EXPENSES:

Salaries and Wages: Salary costs for 2007 were about 16% less than projected and 1% less than 2006. Due to lower than anticipated revenues throughout the year, several vacant positions included in the 2007 budget remained unfilled which lowered overall salary and wage expenses. Part time staff hours were also reduced to control expenses.

Benefits: Employee benefit costs decreased 12% over 2006, and were 14% under budget. This was due to loss of employee positions, which resulted in a decrease in the cost of related benefits.

Maintenance and Equipment: Due to lower than anticipated revenues during 2007, the Museum deferred non-emergency maintenance and equipment purchases, which resulted in cost savings of 24% from the adopted operating budget. However, the costs of normal maintenance increased by 5% over 2006.

Insurance: Museum insurance costs decreased only 10% from 2006 and were 11% lower than budget projections in 2007. This was achieved by a review of existing policies and coverage and working with Suffolk County Risk Management to reduce expenses.

Professional: Professional fees, mainly consisting of the outsourcing of the grounds security to an outside security firm, were within budget projections. However, these costs were 11% higher than 2006 due to a standard increase in the cost of the annual security contract (over \$345,000 in 2007),

Museum Store: Due to lower than anticipated 2007 Museum attendance, purchase of resale inventory was reduced by 15% from the adopted operating budget to coincide with attendance during the year. Total costs of inventory purchased exceeded 2006 totals by a nominal \$3,691.

**Suffolk County Vanderbilt Museum
December 31, 2007
Management Discussion and Analysis**

EXPENSES: (Continued)

Telephone Communications: Telephone expenses were 5% less in 2007 as compared to the adopted operating budget, and the decrease from 2006 was more than 22%. This decrease resulted from the reimbursement of telephone costs by an organization utilizing facilities at the Museum during the year.

Utilities: Due to high increases in the costs of electricity, gas and oil needed to maintain museum facilities, utility costs were 6% higher than projected in the 2007 operating budget, which was adopted in mid 2006. There was a nominal decrease of 2% from the prior year.

Supplies: Due to lower than expected revenues, the Museum maintained a policy of purchasing only supplies necessary to operate in 2007, deferring purchases to replenish depleted departmental supplies to future years. This resulted in significant cost savings of over 44% from the adopted 2007 operating budget and a 19% decrease as compared to 2006. In addition, this category includes indirect costs related to special events. As stated previously, the number of special events decreased in 2007, resulting in a decrease in overall event costs.

General Expenses: General expenses were about 58% higher than budgeted in 2007 due to higher than expected printing costs associated with promoting the Museum programs and laser show productions and travel costs. General expenses were 36% lower than 2006 due to the loss of gift in kind advertising services received in previous years.

Analysis of Future Conditions

In 2008, the fair market value of the Endowment Fund, held by Suffolk County and established to finance the long-term upkeep and maintenance of the Museum, declined from \$12.36 million in January to slightly more than \$8.2 million in November 2008. To stem continuing losses, Suffolk County liquidated the equity investments and deposited the proceeds into cash and cash equivalents in November 2008. As stated in note 5 in the accompanying footnotes, the Museum is only permitted to use the income generated from these investments for operations. The total historic dollar value of the investments is \$8,200,000. When the fair market value of the Endowment Fund dropped just above the historic dollar value in November 2008, monthly distributions to the Museum, which historically aggregated to \$1.2 million annually, were suspended indefinitely by Suffolk County. The fair market value of the Endowment Fund at December 31, 2008 totaled \$8,261,109.

In an effort to ensure the Museum's short-term sustainability, the Suffolk County Legislature passed Resolution #870-2008 in November 2008 (the "Resolution") to provide short-term financial assistance to the Museum with funds from the County's 2009 operating budget. This emergency funding will not exceed \$800,000 and is expected to be received sometime during the 2009 year. In addition, the Suffolk County Legislature established an Oversight Committee to work closely with the Suffolk County Executive's office, the Suffolk County Legislature and the Museum. The Museum is also actively working to formulate a short-term business plan and a long-term strategic plan to deal with this recent crisis and ongoing financial difficulties. As part of these plans, the Museum will continue to carefully monitor supply purchases, staff expenses and employee benefits. It is anticipated that the Museum may again reorganize part-time and full-time staff and defer filling vacant positions in the coming year to reduce expenses.

**Suffolk County Vanderbilt Museum
December 31, 2007
Management Discussion and Analysis**

Analysis of Future Conditions (Continued)

Suffolk County also appropriated funds in 2007 and in 2008 toward the purchase of a new planetarium star projector and associated equipment for the planetarium. These upgrades are expected to be finished, and the planetarium back in full operation, by spring 2010. The improvements will make the Museum's planetarium state-of-the-art and one of only a few planetariums in the United States with such advanced technology. Additionally, improvements to the Museum's wildlife diorama, which forced the closure of this exhibit over the last several years, were completed in summer of 2008, and this exhibit was re-opened to the public. Capital projects designed to expand the waterfront area of the grounds are also in process, with completion expected by winter of 2009. These projects are expected to generate unprecedented public relations exposure for the Museum, and provide increased opportunities for corporate sponsorships and site use/rental of Museum grounds.

The Museum will continue to seek grant awards, gifts and donations for both ongoing operating support and special projects of particular need in future years. This will be accomplished through increased fundraising efforts by the Board of Trustees and a new "Friends of the Vanderbilt" supporting organization. If successful, such grants and gifts have the potential to have a major financial impact on the Museum's operating budget.

The Museum will be evaluating its membership categories, benefits and fees in the future and will institute a membership drive to develop a larger member base of support. In addition, the Museum is seeking to partner with local businesses and non-profits, as well as the community, in new and exciting ways. The Museum will also be developing several new programs to generate additional revenues in the future. These include new sponsorship and "branding" opportunities to promote corporate support for Museum programs and services. Such initiatives are the institution of a library membership program, naming rights for the planetarium, and partnering with local businesses to provide onsite catering and/or eateries for Museum patrons. These have the potential to not only increase membership revenues, but also enhance other revenue categories as well by increased public/corporate participation in Museum activities.

The Museum will be continuing its Laser Show program in the future and extending the hours during which shows are offered to expand the potential for increased admission revenues.

The Museum will also be developing new educational space on its campus to enhance educational opportunities and increase admission revenues.

**Suffolk County Vanderbilt Museum
Statement of Net Assets and
Government Funds Balance Sheet
December 31, 2007**

	General Fund	Adjustments (Note 9)	Statement of Net Assets
Assets:			
Cash and cash equivalents	\$ 71,401		\$ 71,401
Grants receivable	111,855		111,855
Prepaid expenses	7,807		7,807
Inventory of merchandise held for resale	7,163		7,163
Investments in stock	4,300		4,300
Capital assets (net of accumulated depreciation)	<u> </u>	\$ 87,869	<u>87,869</u>
Total assets	<u>\$ 202,526</u>	<u>\$ 87,869</u>	<u>\$ 290,395</u>
Liabilities:			
Accounts payable	\$ 270,824		\$ 270,824
Accrued expenses	179,920		179,920
Accrued payroll and related taxes	57,398		57,398
Deferred revenue	66,124		66,124
Non-current liabilities:			
Compensated absences accrual	<u> </u>	\$ 25,831	<u>25,831</u>
Total liabilities	<u>574,266</u>	<u>25,831</u>	<u>600,097</u>
Fund Balances/Net assets:			
Fund balances:			
Unreserved	(483,595)	483,595	
Reserved for future investment in capital assets	<u>111,855</u>	<u>(111,855)</u>	
Total fund balances	<u>(371,740)</u>	<u>371,740</u>	
Total liabilities and fund balances	<u>\$ 202,526</u>		
Net assets:			
Invested in capital assets		87,869	87,869
Restricted for future investment in capital assets		111,855	111,855
Unrestricted		<u>(509,426)</u>	<u>(509,426)</u>
Total net assets		<u>\$ (309,702)</u>	<u>\$ (309,702)</u>

See notes to financial statements.

**Suffolk County Vanderbilt Museum
Statement of Activities and
Governmental Fund Statement of Revenues,
Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007**

	General Fund	Adjustments (Note 9)	Statement of Activities
Revenues and support:			
Admissions - programs and tuition	\$ 621,809		\$ 621,809
Special events (net of expenses), including museum events	41,213		41,213
Memberships	23,923		23,923
Site use / rental	136,340		136,340
Museum store	55,291		55,291
Donations and gifts	43,346		43,346
Endowment distribution	1,200,000		1,200,000
Interest income	880		880
Miscellaneous	<u>858</u>		<u>858</u>
Total revenues and support	<u>2,123,660</u>		<u>2,123,660</u>
Expenditures:			
Educational services:			
Current:			
Salaries and wages	894,281		894,281
Benefits	310,510		310,510
Maintenance and equipment	52,617		52,617
Insurance	73,290		73,290
Professional	447,358		447,358
Museum Store	25,589		25,589
Telephone communications	28,564		28,564
Utilities	198,014		198,014
Supplies, program, ball / fundraiser	73,135		73,135
General expenses	64,498		64,498
Depreciation		<u>\$ 13,500</u>	<u>13,500</u>
Total expenditures	<u>2,167,856</u>	<u>13,500</u>	<u>2,181,356</u>
Excess (deficiency) of revenues and support over expenditures	<u>(44,196)</u>	<u>(13,500)</u>	<u>(57,696)</u>
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(44,196)	44,196	
Change in net assets		(57,696)	(57,696)
Fund balances/net assets:			
Beginning of the year:			
As previously stated	<u>(327,544)</u>	<u>75,538</u>	<u>(252,006)</u>
End of the year	<u>\$ (371,740)</u>	<u>\$ 62,038</u>	<u>\$ (309,702)</u>

See notes to financial statements.

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

1. Organization and Tax Status:

The Suffolk County Vanderbilt Museum (the "Museum") was established in 1949 pursuant to the last will and testament of Mr. William K. Vanderbilt II. The Museum is a wholly-owned instrumentality of Suffolk County, but is incorporated as a not-for-profit institution and is tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Service Code. The Museum utilizes a planetarium, historic mansion, and surrounding grounds, all of which are owned by Suffolk County and are located in Centerport, New York. In 2002, the contiguous house and grounds, "Normandy Manor" was purchased by Suffolk County and made a part of the Museum. The Museum is funded primarily by revenues from its programs and distributions from an endowment fund held in trust by Suffolk County. The Museum is administered by a Board of Trustees (the "Board") appointed for four year terms by the Suffolk County Legislature.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

a. Basis of Presentation

In general, accounting principles generally accepted in the United States of America ("GAAP") require that entities such as the Museum, whose Board is appointed by publicly elected officials, should report in accordance with GAAP as they apply to governmental not-for-profit entities. The Museum has prepared its financial statements on the accrual basis and to conform to accounting principles generally accepted in the United States of America.

b. Funds

The funds of the financial reporting entity are described as follows:

- *General Fund*

The General Fund is the primary operating fund of the Museum and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

The Museum does not have any other funds at this time.

c. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of property, buildings and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets.

Contributions of cash or other assets to be used to acquire property, plant and equipment are reported as revenue of the temporarily restricted net assets; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

2. Summary of Significant Accounting Policies: (Continued)

d. Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted cash on hand and in banks. The Museum also considers all highly liquid unrestricted investments with a maturity of three months or less when purchased to be cash equivalents.

e. Inventory of Merchandise Held for Resale

Inventory consists of gift shop items, and are stated at the lower of the average cost or market.

f. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at the estimated fair market value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

Building improvements	40 years
Machinery	5 – 7 years
Furniture and equipment	5 years
Vehicles	5 years

g. Investments

The Museum carries investments in marketable securities with readily determinable fair values in the Statement of Net Assets. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

h. Collections

The Museum has elected not to capitalize donations or purchases of works of art, historical treasures and similar assets. When material to the financial statements, art objects and other items donated are recorded as contribution revenue and program expense at their estimated fair value at the date of donation.

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

2. Summary of Significant Accounting Policies: (Continued)

i. Equity Classifications

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings, that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws of regulations of other government, or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

j. Revenues, Expenditures, and Expenses

Operating revenues, expenditures and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

k. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

3. Grants Receivable:

Grants receivable are composed of two grants. The majority of these funds were received in 2008. The remaining amount of grants receivable was received in 2009. No discount was calculated on these grants, as the estimated discount amount was deemed immaterial to the financial statements.

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

4. Capital Assets:

A summary of changes in capital assets is as follows:

	Balance as of 1/1/07	Additions	Balance as of 12/31/07
Building improvements	\$ 49,234		\$ 49,234
Machinery and equipment	559,226		559,226
Furniture and fixtures	37,261		37,261
Vehicles	<u>30,000</u>		<u>30,000</u>
Total	675,721		675,721
Accumulated depreciation	<u>(574,352)</u>	<u>\$(13,500)</u>	<u>(587,852)</u>
Net book value	<u>\$ 101,369</u>	<u>\$(13,500)</u>	<u>\$ 87,869</u>

5. Endowment Distribution:

The Suffolk County Vanderbilt Museum (the "Museum") was established in 1949 pursuant to the last will and testament of Mr. William K. Vanderbilt II. At that time, the property upon which the Museum is located, together with the buildings and artifacts therein, was bequeathed to Suffolk County for the purpose of establishing a public park and museum (collectively, the "Property"). The Property is titled to Suffolk County, but its use, occupancy and exclusive control have been dedicated to the Museum, in perpetuity, in accordance with the donor's original bequest.

Additionally, the donor established an endowment fund to finance the long-term upkeep and maintenance of the Museum (the "Endowment Fund"). The Endowment Fund is held by Suffolk County and is administered by a financial institution approved by the County. Distributions are made on a monthly basis to the Museum of the previous month's interest and dividend income. Additional distributions are made throughout the year from the capital gain income earned above the historical dollar value to reach the annual budgeted amount approved by the County. This total approved transfer from the endowment fund was \$1,200,000 in 2007. The Museum is permitted to use all but the original principal of the Endowment Fund, as determined by the historic dollar value of the bequest, for operations. The total historic dollar value of the investments is \$8,200,000. Fair market value at December 31, 2007 is \$12,366,418.

Although the Museum maintains a beneficial interest in the aforementioned Property and Endowment Fund, the Museum does not recognize these assets on their books, as title to the Property and Endowment Fund is held by Suffolk County.

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

6. Donated Services:

The Museum receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and program services. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. In 2007, these services totaled \$9,206 and are reflected as contributions and various program expenses in the accompanying financial statements.

7. Leases:

The Museum leases equipment under leases expiring in 2008 through 2012. Rental expense for the leases amounted to approximately \$34,572 during the 2007 fiscal year. Estimated minimum lease payments are as follows:

	Year Ending December 31,
2008	\$ 7,752
2009	6,420
2010	6,420
2011	6,420
2012	<u>6,420</u>
Total minimum lease payments	<u>\$33,432</u>

8. Retirement Plan:

The Museum has a defined contribution plan which covers eligible employees. The Museum's contribution to the plan is equal to five percent (5%) of participating employees' gross salaries. Plan expenses incurred by the Museum for 2007 amounted to \$36,296.

9. Reconciliation of Fund Financial Statements to Governmental-wide Financial Statements:

Total fund balance and the net change in fund balance of the Museum's governmental fund differs from net assets and changes in net assets of the governmental activities reported in the statement of net assets and statement of activities. This difference primarily results from the long-term economic focus of the statement of net assets and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net assets and the net change in fund balance to the net change in net assets:

Suffolk County Vanderbilt Museum
Notes to Financial Statements
December 31, 2007

9. Reconciliation of Fund Financial Statements to Governmental-wide Financial Statements:
(Continued)

Total Fund Balance	\$(371,740)
Amounts reported in the statement of net assets are different because:	
• Capital assets are not financial resources, and are not reported in the funds	87,869
• Compensated absences are included as a liability	<u>(25,831)</u>
Total Net Assets	<u>\$(309,702)</u>
Net Change in fund Balance	\$ (44,196)
Amounts reported in the statement of activities are different because:	
• Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	<u>(13,500)</u>
Change in Net Assets	<u>\$ (57,696)</u>

10. Subsequent Event:

As reported in the *Analysis of Future Conditions* in the attached Management Discussion and Analysis, the fair market value of the Endowment Fund declined to \$8,261,109 in December 2008. As a result, monthly distributions to the Museum, which historically aggregated to \$1.2 million annually, were suspended indefinitely by Suffolk County.

**Suffolk County Vanderbilt Museum
Budgetary Comparison Schedule – General Fund
For the Year Ended December 31, 2007**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Admissions - programs and tuition	\$ 800,000	\$ 800,000	\$ 621,809	\$ (178,191)
Special events (net of expenses), including Museum events	160,000	160,000	41,213	(118,787)
Memberships	50,500	50,500	23,923	(26,577)
Site use / rental	160,000	160,000	136,340	(23,660)
Museum store	105,000	105,000	55,291	(49,709)
Donations and gifts	70,000	70,000	43,346	(26,654)
Endowment distribution	1,200,000	1,200,000	1,200,000	
Interest income			880	880
Miscellaneous /other	<u>4,000</u>	<u>4,000</u>	<u>858</u>	<u>(3,142)</u>
Total revenues	<u>2,549,500</u>	<u>2,549,500</u>	<u>2,123,660</u>	<u>(425,840)</u>
Expenditures:				
Salaries and wages	1,058,462	1,058,462	894,281	(164,181)
Benefits	360,500	360,500	310,510	(49,990)
Maintenance and equipment	69,000	69,000	52,617	(16,383)
Insurance	82,000	82,000	73,290	(8,710)
Professional	450,000	450,000	447,358	(2,642)
Museum Store	30,000	30,000	25,589	(4,411)
Telephone communications	30,000	30,000	28,564	(1,436)
Utilities	187,000	187,000	198,014	11,014
Supplies, program, ball	129,730	129,730	73,135	(56,595)
General expenses	<u>40,900</u>	<u>40,900</u>	<u>64,498</u>	<u>23,598</u>
Total expenditures	<u>2,437,592</u>	<u>2,437,592</u>	<u>2,167,856</u>	<u>(269,736)</u>
Excess (deficiency) of revenues over expenditures	111,908	111,908	(44,196)	(156,104)
Budgetary fund balance, January 1	<u>(327,544)</u>	<u>(327,544)</u>	<u>(327,544)</u>	
Budgetary fund balance, December 31	<u>\$ (215,636)</u>	<u>\$ (215,636)</u>	<u>\$ (371,740)</u>	<u>\$ (156,104)</u>

See notes to financial statements.

MEMORANDUM OF UNDERSTANDING

between the

COUNTY OF SUFFOLK

and

THE TRUSTEES OF THE VANDERBILT MUSEUM

THIS MEMORANDUM OF UNDERSTANDING made and entered into as of the date ("**the Effective Date**") on which this Memorandum is last executed by the Parties hereto, between the **COUNTY OF SUFFOLK**, a municipal corporation having its principal place of business at 100 Veterans Memorial Highway, Hauppauge, New York 11788 ("**County**"), acting through its duly constituted **County Legislature** ("**Legislature**") and **Office of the County Executive** ("**Executive**"), and the **Trustees of the Suffolk County Vanderbilt Museum** ("**Museum**"), an educational corporation duly incorporated by the New York State Board of Regents, having its principal place of business in Centerport, New York 11721.

WHEREAS, William K. Vanderbilt II, in his will, bequeathed to the County his estate in Centerport, Town of Huntington, State of New York, together with all real property, furnishings, exhibits, works of art, artifacts, and memorabilia; and

WHEREAS, the Vanderbilt will also bequeathed to the County certain monies to support the Museum's operations ("**the maintenance fund**"); and

WHEREAS, pursuant to Section 184-2 of the SUFFOLK COUNTY CODE, the Legislature has sole power and control over the Museum property and maintenance fund; and

WHEREAS, the Board of Trustees of the Museum have sole power and control over the development, maintenance and operation of the Museum; and

WHEREAS, since the Museum's inception, income from the maintenance fund, admissions sales and other sources has supported the Museum's operations; and

WHEREAS, the Museum's maintenance fund was severely impacted by a downturn in the nation's markets in 2008 and, as a result the Museum will receive little income from the fund in 2009; and

WHEREAS, the 2009 Suffolk County Operating Budget provides for an eight hundred thousand dollar (\$800,000) transfer from the County's General Fund to the Vanderbilt Museum to support the Museum's operations; and

WHEREAS, the parties wish to formalize an agreement to govern the distribution of General Fund monies to the Vanderbilt Museum in 2009 and to develop a business plan in order to restore the Museum's fiscal independence in 2010;

NOW THEREFORE, the parties hereby agree as follows:

1. TERM

This Memorandum of Understanding shall commence on the effective date and continue through December 31, 2009.

2. COOPERATION

The Museum shall cooperate with, and respond in a timely manner to, the Vanderbilt Museum Oversight Committee ("Oversight Committee"), established via Resolution 2047-2008, and the Legislature's Parks and Recreation Committee.

3. DISTRIBUTIONS TO THE MUSEUM

- a. The Museum must submit a monthly cash flow analysis by the 15th day of each month to the Suffolk County Treasurer, the Presiding Officer of the Legislature, the Legislature's Office of Budget Review, the Chairperson of the Legislature's Parks and Recreation Committee, the Suffolk County Comptroller and the Executive's Budget Office, as stipulated in Resolution 870-2008.
- b. Distributions from the General Fund will be based upon the Museum's monthly cash flow analysis and shall not exceed \$100,000 in any month.
- c. The appropriate monthly distributions to the Museum shall be jointly agreed upon by the Legislative Office of Budget Review and the Executive's Budget Office.
- d. The County reserves its right to suspend payments from the General Fund to the Museum in the event the Museum fails to comply with any provision of this agreement.

4. BUSINESS PLAN

- a. The Executive Director of the Museum and the President of the Museum's Board of Trustees must appear before the Legislature's Parks and Recreation Committee no later than June 30, 2009 to submit a formal written business plan demonstrating how the Museum will replace the County's 2009 distribution in fiscal year 2010.
- b. The business plan must include, at a minimum, a detailed summary of expenditure reductions and revenue enhancements along with a financial summary of the policies implemented to date by the Museum and its Board of Trustees to address its immediate financial needs. The plan must verify that the Museum will continue to operate the number of hours and the programs identified in the business plan, with an allowance for increased hours if the Museum develops cost-effective programs. Additionally, the Museum shall establish in the business plan a path to self-sustainability, with detailed attendance and financial projections. The Parks and Recreation Committee, in consultation with the Legislature's Office of Budget Review, shall determine if the plan submitted by the Museum is acceptable.
- c. In the event the Museum does not submit an acceptable business plan by June 30, 2009, all General Fund distributions will cease until such time the Museum submits an acceptable plan to the Committee.

5. USE OF FUNDS

- a. Distributions from the General Fund to the Museum must be used exclusively for the general operating budget of the Museum and cannot be used for capital improvements.
- b. General Fund distributions to the Museum cannot be used by the Museum to generate a year-end operating budget fund balance in excess of \$20,000.
- c. The Museum must remit any fiscal year 2009 operating budget fund balance in excess of \$20,000 to the County, as determined by their official audited financial statements.

6. SALARIES

The Museum shall not approve any salary increases for its employees during the term of this Memorandum.

7. PERSONNEL/CONSULTANT CONTRACTS

Prior to entering into any personnel or consulting contracts after the effective date, the Museum shall notify the Oversight Committee of its intention to enter into such a contract.

8. QUARTERLY FINANCIAL REPORTING

The Museum shall submit quarterly reports to the Suffolk County Treasurer, the Presiding Officer of the Legislature, the Legislature's Office of Budget Review, the Chairperson of the Legislature's Parks and Recreation Committee, the Suffolk County Comptroller, and the Executive's Budget Office describing its current fiscal status. The quarterly report shall also describe any additions or deviations from the final business plan.

9. TIMELINE

Within 30 days from the execution of the Agreement, the Museum will present to the Suffolk County Legislature and the County Executive a detailed timeline for the installation and re-opening of the planetarium with the new Star projector.

10. CATERING AGREEMENT

The Museum shall develop and issue a Request for Proposals (RFP) for on site catering no later than May 31, 2009. By December 31, 2009 the Museum will advise the Oversight Committee of the responses to the RFP, and provide a recommendation for action on the RFP with a cost/benefit analysis to support their recommendation.

11. CELL PHONE TOWER

The Museum shall direct any inquiries relative to a cell phone tower being placed on Museum property to the County Cell Tower Committee established by the Suffolk County Legislature.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the latest date written below

**TRUSTEES OF THE SUFFOLK
COUNTY VANDERBILT MUSEUM**

COUNTY OF SUFFOLK

By:

Steven Gittelman
Chairman, Board of Trustees

Date:

By:

James Morgo
Chief Deputy County Executive

Date:

By:

William J. Lindsay
Presiding Officer

Date:

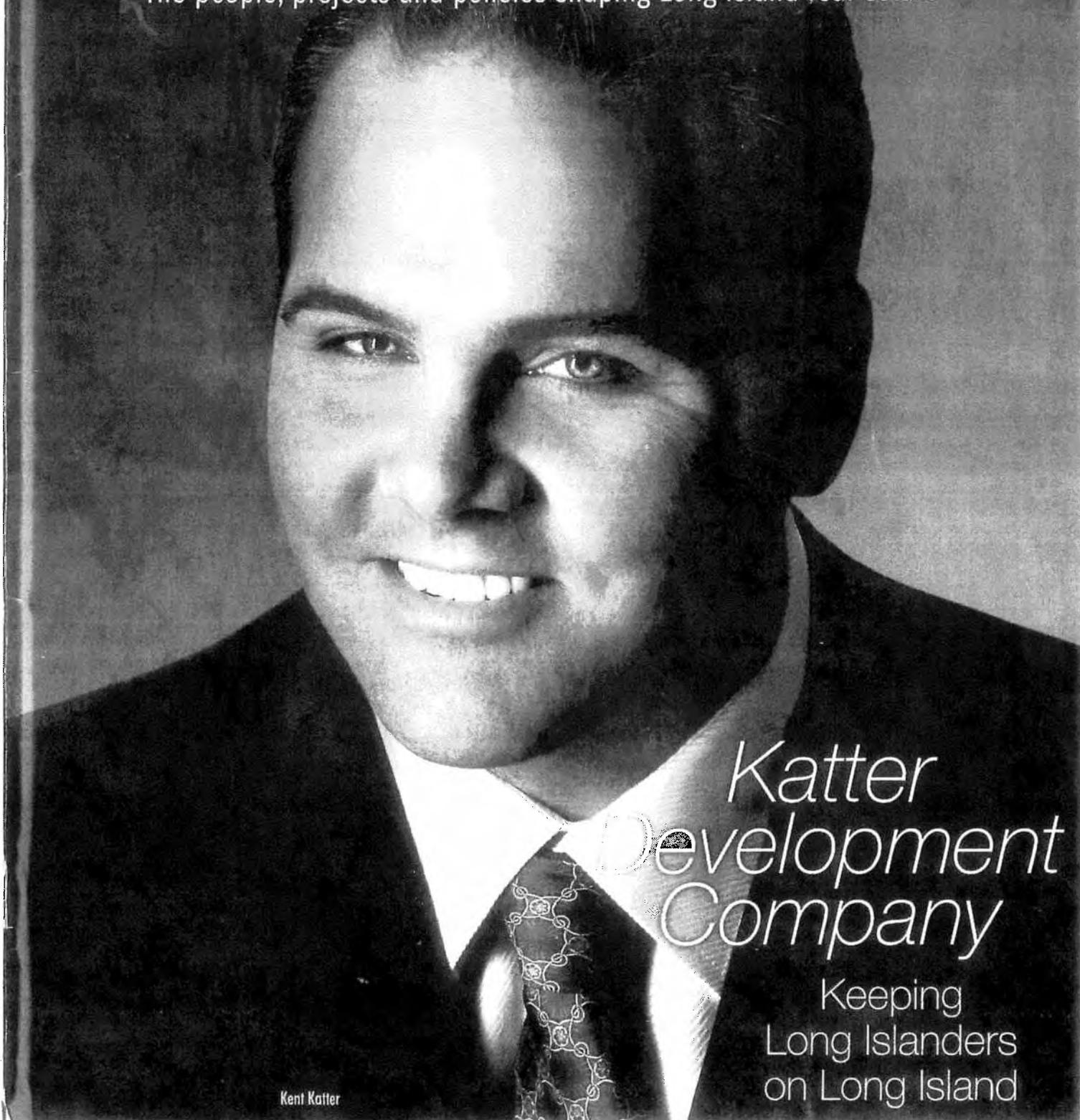
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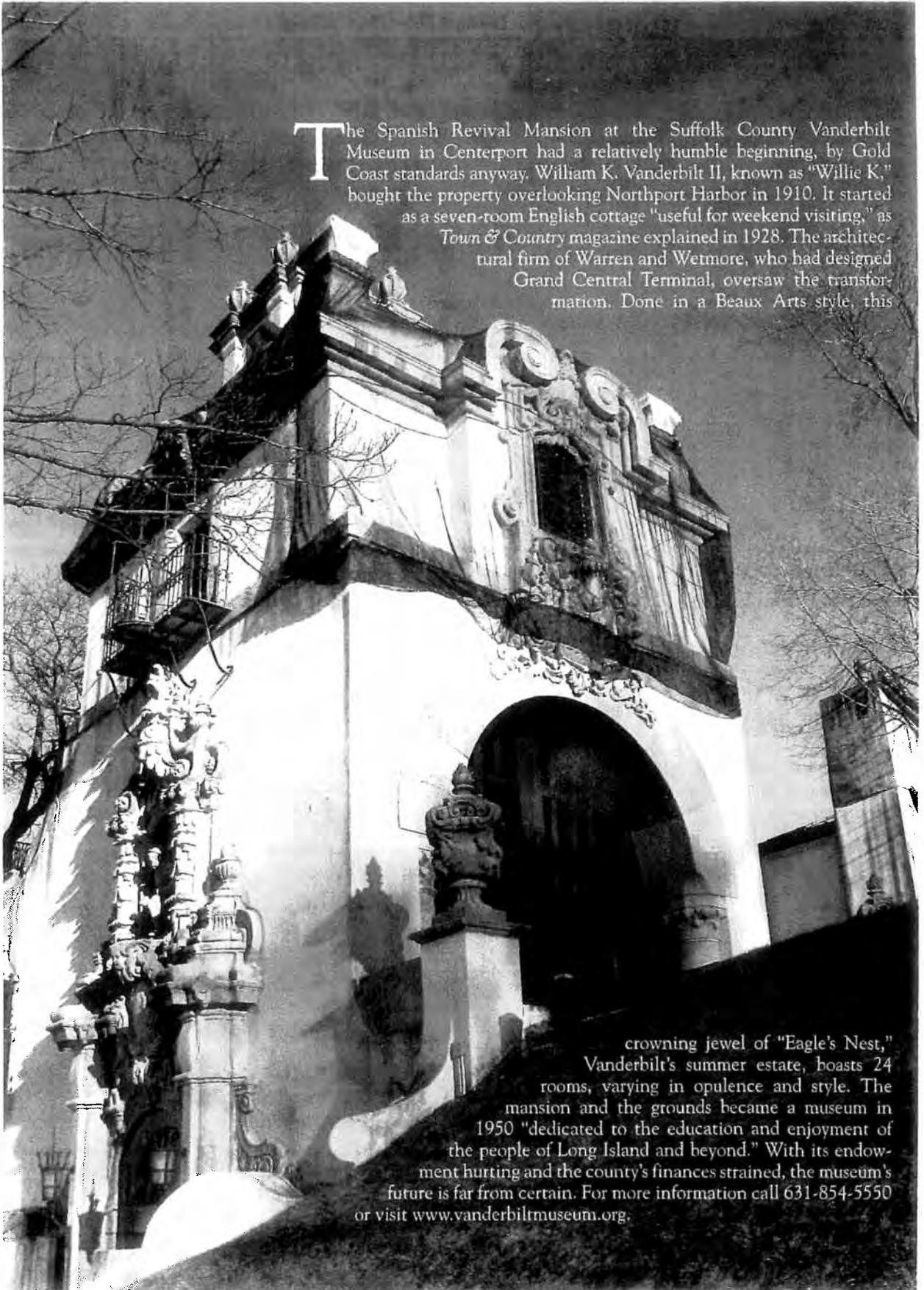


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Long Islanders
on Long Island

Kent Katter

THE END



The Spanish Revival Mansion at the Suffolk County Vanderbilt Museum in Centerport had a relatively humble beginning, by Gold Coast standards anyway. William K. Vanderbilt II, known as "Willie K," bought the property overlooking Northport Harbor in 1910. It started as a seven-room English cottage "useful for weekend visiting," as *Town & Country* magazine explained in 1928. The architectural firm of Warren and Wetmore, who had designed Grand Central Terminal, oversaw the transformation. Done in a Beaux Arts style, this

crowning jewel of "Eagle's Nest," Vanderbilt's summer estate, boasts 24 rooms, varying in opulence and style. The mansion and the grounds became a museum in 1950 "dedicated to the education and enjoyment of the people of Long Island and beyond." With its endowment hurting and the county's finances strained, the museum's future is far from certain. For more information call 631-854-5550 or visit www.vanderbiltmuseum.org.

JONATHAN ROBBINS PHOTO