

SUFFOLK COUNTY VANDERBILT MUSEUM

BOARD OF TRUSTEES

MINUTES

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held on October 21, 2009, in the Planetarium Lobby, Centerport, New York.

The following were in attendance:

Noel Gish – President
Ronald A. Beattie – Treasurer
Gretchen Oldrin Mones – Secretary
Thomas D. Glascock – Trustee
Donald B. McKay – Trustee
Daniel Olivieri – Trustee
Dr. William Rogers – Trustee
Arthur M. Sillman – Trustee
Carol Ghiorso-Hart – Executive Director
Randy Lang – Staff
Peter Newman – Staff
Barbara Oster – Staff
Michael Iadevaia - Accountant
Lance Reinheimer – Budget Review Office
Barbara LoMoriello – Deputy Clerk, Legislature
Ann Marie Pastore – Stenographer

Excused Absence:

Michael B. DeLuise – 1st Vice President

Absent:

Matthew Swinson – 2nd Vice President
Sarah Anker – Trustee
Dr. Steve Gittelman – Trustee
Dr. Anthony Pecorale – Trustee

(Mr. Noel Gish called the meeting to order at 6:15 p.m.)

MR. GISH:

Good evening. We do not have a quorum at the moment, but we will make this informational until such time as we have a quorum. I don't know whether Ann Marie wants to use up all her hand exercises to take all the minutes, but more Trustees may come in. I know we have a few people that called me and said they were not coming. I believe Tom may be here, as well as Dan. If that's the case, we might be close to having a quorum. I would still like to do the Pledge of Allegiance.

SALUTE TO THE FLAG

MR. GISH:

Thank you. Do we have a list of guests in attendance?

MS. PASTORE:

Yes.

MR. GISH:

Can I ask for approval of the minutes from the last Board Meeting?

MR. BEATTIE:

Motion.

MR. MCKAY:

Second.

MR. GISH:

All in favor? Opposed? **(Vote: 5/0/0/10 Not Present: Mr. Glascock, Mr. Olivieri & Dr. Rogers. Absent: Mr. DeLuise, Mr. Swinson, Ms. Anker, Ms. Dwyer, Dr. Gittelman & Dr. Pecorale. One vacant position.)**

Are there any comments from the Oversight Committee? I would really love to hear from Barbara tonight.

MS. LOMORIELLO:

No, not at this time.

MR. GISH:

Committee Reports for tonight, Education and Exhibits, Gretchen.

MS. OLDRIN MONES:

October is a busy month in Education and Exhibits. The October 3 Harvest Moon Celebration of Science and Song was a success, especially because of the many sponsors, such as Mercedes, UBS, Verizon, Adelphi, Teacher's Federal Credit Union, Mill Pond House, and Astoria Federal. Carol and Noel worked hard to get these sponsorships and hope to cultivate them. Feedback from Dr. Lutz and Mary Fahl was positive, and there is a possibility of showing the film again during the February break week. Other ideas for a similar future event are being considered.

There will be two special Halloween Our Night Out Shows on Sunday, October 25 – one at 6 p.m. and the second at 7:30 p.m. This is a fun and interactive reading program, as you will read on the card that I'm passing around. They were also sent out to a number of people to promote the event. Children are welcome to wear their Halloween costumes. We know that Lorraine will be in full costume.

Other Halloween offerings include "Haunted Skies" planetarium show, "Hallow's Eve Laser Show," and the "Unliving History Tour" of the mansion. These special programs are advertised on the front cover of the October 7 *Pennysaver*, which I will pass around.

History shows us that the Vanderbilts have a very strong connection to the paranormal. There have been some haunting events in various places, such as the cottage, the mansion basement, the Education Building, and Normandy Manor. This is a possible area for future program development.

October is American Archives Month, sponsored by the Long Island Library Resources Council. This year's conference title is "Racing on Long Island: Horses to Horsepower," which is right up our alley. We are on their calendar. I will pass around that information.

On October 25 we will host an antique car show. Howard Kroplick will bring his Alco and his book, weather permitting.

Looking ahead to November 8, staff is developing materials related to the Vanderbilt involvement in war efforts to exhibit for our first special day to honor veterans. Admission to the grounds will be free for veterans and families of soldiers currently serving.

The Holiday Dinner in the mansion is planned for December 5, and the tree lighting will be at 5 p.m. on December 6. Options are being

explored for a sponsor for the week between Christmas and New Years. All ideas from Trustees or connections are welcomed.

There may soon be another exhibit in the Planetarium Lobby. The Federal Government has space suits and other NASA artifacts available free to appropriate applicants. This would be a nice enhancement for the lobby. And like the View Space, which was funded by the Trustees, it would add to our visitors' education experience and enjoyment.

The committee discussed the desirability of joining the Huntington Arts Council and the benefit of being a Chamber of Commerce member.

Carol and Stephanie attended the second meeting of the Historic Gold Coast Mansions, whose mission is to collaborate on marketing, share costs and cooperate in any other promotional way. Gold Coast mansions such as ours are sought out for film locations. An interesting tidbit is that we were contacted by Royal Pains for their finale, but ultimately they chose another location.

The Astronomy Club of Long Island has had an election, and their new President, Helen McIntyre, is very interested in working with us to fundraise for astronomy related education programs. They have already given us a donation of a Mal cam, which is an adaptive security camera with the value of about \$1,200. They're looking to assist fundraising to add a gravity well or any other exhibit that is a good teaching tool.

Just in case you didn't see it, I will pass around this October 11 feature story in *Newsday* on the restoration of the Habitat Hall entitled "Bringing Bite Back to the Museum." It's a nice chronology of the restoration effort with some great quotes by Stephanie.

The new Education Brochure, which has gotten very positive feedback, has been distributed. Staff had been working with BOCES to provide and update information to facilitate bookings. Bookings for November are very good – possibly the best that they have ever been, with every morning booked except for the day before Thanksgiving. December is looking good, as well. It's very important to replace the new educator who has recently left.

Finally, without our incredibly dedicated, resourceful, gifted staff, and our many hard working and talented volunteers, none of these wonderful programs would go on at the Vanderbilt. Special thanks to

Noel for thinking of and implementing a "Staff Appreciation Day BBQ" which was a delightful event. On October 5 the weather was perfect, the food was excellent, and people were the best.

That's the end of the report.

MR. GISH:

Just a side note on that. I received four cards from staff members about Staff Appreciation Day. Staff Appreciation Day was really well received. We just happened to luck out. Norm brought his barbeque grill, and we had a great day. Gretchen brought her husband, Herb, who managed to –

MS. OLDRIN MONES:

Take credit for anything good that happened.

MR. BEATTIE:

I understand that the clam chowder that he put together was tasty.

MR. GISH:

It was a really good day. I'm glad the staff was there. Don was there also, along with Carol. We really had a very nice –

MS. OLDRIN MONES:

Sarah was there, too.

MR. GISH:

I'm sorry. I'm so embarrassed. Yes, Sarah was there. We had a good representation from the Trustees. Barbara from the Oversight Committee came also to the "Staff Appreciation Day" and gave a really great presentation to the staff here on behalf of the County, which was really well received. I will just state that they stayed until dusk. That was the first time where many individuals who have been here in some cases over 20 years, that somebody from the County has come and expressed gratitude for their efforts. It went a lot further than many people might expect. Thank you, Gretchen.

Finance Committee, Ron.

MR. BEATTIE:

Everybody has a copy of the Treasurer's Report in front of them. The only thing really of note to point out, as I do every month, is we are considerably under the \$800,000 cap that the County is nice enough to provide to us. I think thanks to the great management from Carol and

staff here, they keep on driving the expenses down, and that's put us in the position that we're in today. It's not as bad as it could be.

MS. GHIORSI-HART:

Can I just jump in? I want to note that the Treasurer's Report, as far as the distribution, was done in an as-it-comes-in basis. It hasn't been accrued. We did receive an August payment in September. We discussed it with our accountant. We probably will revise this and do it on an accrual basis, so that it's represented for the month that it's supposed to be coming in. So we did get the August distribution but in September.

MR. GISH:

Ron, Building and Grounds.

MR. BEATTIE:

I think on the Development end, we still have the marketing stuff that we need to still report about.

MR. GISH:

Yes, I'm sorry. Go ahead.

MR. BEATTIE:

We did have a meeting after the last Trustee meeting. We talked about kicking this off. With all the work that we have done in terms of creating the image, which is part of Development, is the marketing, etc. on that, is that we needed a gatekeeper to keep that message consistent. We had a nice meeting with Carol, our designer Michael, who comes in on Tuesdays, Tom Curran, from Curran Corporate Design, who has been donating his time, Noel and I. We all sat down and figured out how we're going to do that.

Michael is going to be the keeper of the gate. Anybody who is running any kind of event here and puts together any kind of a flyer has to go through Mike first. We're going to make sure that we maintain that consistency. That's number one.

Number two is the bricks and the bench brochures, and I've brought in a couple of those things in my hack mentality of creative design. We're giving that to him, and he's going to produce them in a better format.

We started to lay the groundwork for designing the website to be a revenue generating website. The corporate sponsorship brochure we

started to lay that groundwork, as well, because that's obviously – in 2010 we really have to hit hard now for corporate sponsorships.

That's it.

MR. GISH:

Just mention the bricks out front for the Trustees.

MR. BEATTIE:

Peter and his crew installed the bricks that we got for all the Trustees. We want to have a better representation. I think we talked about it last time, but they were actually installed. On the way out, if you want to take a look, you can see how we put them in a pattern, so people can better visualize what buying a brick will do for them.

MR GISH:

Good. Okay, now we'll go to Buildings and Grounds.

MR. SILLMAN:

Excuse me, Ron. Could I just ask about the endowment?

MR. GISH:

Sure, we can. It's related to Finance.

MR. SILLMAN:

I think you and I are here now about a year, right?

MR. GISH:

Yes, October to October.

MR. SILLMAN:

Although I think we're eligible for our ten year pin at this point.

MR. GISH:

Based on mileage.

MR. SILLMAN:

I think we walked in just when the endowment was tanking.

MR. GISH:

Correct.

MR. SILLMAN:

And in lieu of the fact that the market seems to be a lot better than it was, where are we with the endowment?

MR. GISH:

I will take corrections from the floor if I make an error here. Initially when we came on, I think it was a few of us who acted in October in that first month to ask whether we could get out of the position we were in with the Bank of America, which I believe was in a totally stock position.

Just to fill people in here, although we have an endowment, the County controls the endowment. We make requests for the interest from the endowment. We do not enter the corpus of the endowment, only the interest. So that was the problem in December when the market reached the corpus of the endowment. We have moved then into a cash position out of the market.

We then followed through with an RFP to establish a new market manager for the endowment. We put an RFP out there. There were a number of people who came back. In the initial phase of the RFP the Bank of America, who actually had our endowment and was controlling it, just sort of goofed up the paperwork. They were omitted from the chance to continue the endowment.

At the present time, Bank of America controls the endowment in sort of a money market cash position. We are waiting for the RFP to go out on the other individuals who have answered the County to control our endowment. So we are not at this stage getting back into the market as it moves back up. We moved out of the market too slowly when it was going down, and we're not moving up.

Right now I believe there is a slight increase in the interest we have over the corpus of the endowment. However, the Budget Review Office and some budget information that we received yesterday has suggested that we do not take any money out of the endowment or interest, even if it goes out slightly in another money market fund, that we do not invade that for this year. We will probably not gain any money from the endowment for 2010.

MR. SILLMAN:

Does that mean that the interest that it's gaining is being put back into the endowment?

MR. GISH:

Correct. In other words, the plan is not to take the interest out and then bring it back down to the corpus of the endowment, which I think was \$8.2 million. I believe in 2000, based on the BRO report yesterday, I think we were up to \$18 million. We went from \$18 million in 2000 to \$8.2 million in 2009. It was a significant drop. The effort here will be to try to rebuild the endowment up to a point where we can then draw from it with some reliability but have something there for a rainy day, have a little bit of a cushion so that we can make a change in the portfolio if we need to sort of protect it, but we had nothing to protect.

MR. SILLMAN:

Is there a ceiling at which that happens?

MR. GISH:

I don't know whether there is a ceiling or not. Lance.

MR. SILLMAN:

I think when you and I walked in it was hovering around \$6,800 and now we're at a little over \$10,000 and change on that. I know we went for the money market. How does that get --

MR. REINHEIMER:

Just a couple things. You're right about the value of the fund going from about \$18 million down to \$8.2 million. But also during that eight-year period of time, you also took out approximately \$9 million. It wasn't just a drop during that period of time. You took out \$9 million, and the market started to go down.

Where we are now is we are in bonds and cash. But as you know, the bonds don't appreciate. You get capital appreciation for bonds. If interest rates start to go up, the principle on the bonds will start to go down. The RFP went out. The responses are coming in. I'm not sure what the date was that they are due back, but they are due back now. We will be looking at those responses. In the meantime, Bank of America basically is in a holding pattern for the endowment.

As I said to Noel yesterday, part of the vision for the Hotel/Motel Tax is that it's a five-year program. That distribution to the museum was only for five years. After five years that sunsets. The vision was to try to provide steady income for the museum and also if we can to grow the endowment. If we could get away with growing the endowment

while you're getting money from the Hotel/Motel Fund, that will give you a jumpstart.

As I said to Noel, it's difficult because you're looking at your needs today and balancing your needs tomorrow for perpetual care. If the Hotel/Motel Tax does sunset in five years, if you've been making distributions from your endowment, you're going to be in the same position you are today.

We're trying to walk the line between trying to meet your short-term goals, which is to survive, and also to look at the institution as going on for future generations. That's a delicate balance.

(Mr. Olivieri entered the meeting at 6:40 p.m.)

MR. SILLMAN:

This was not a form of criticism, but who makes that philosophic decision?

MR. GISH:

The decision to –

MR. REINHEIMER:

The Legislature sets the policy for the endowment.

MR. GISH:

We can make recommendations to the Legislature, but we have no control of how quickly they move or when they move.

MR. SILLMAN:

I guess what I'm asking is if there is a point at which when you get the RFP back and we're moving forward and it gets to a point where we have \$12 million, what happens to that money?

MR. REINHEIMER:

We're about \$8.4 million.

MR. OLIVIERI:

It's not invested in the market.

MR. REINHEIMER:

It's in bonds – half of it's in bonds and half of it is in cash. You're not going to see much movement month to month with bonds.

MR. SILLMAN:

And about what is that going to make?

MR. REINHEIMER:

Probably \$210,000 –

MR. SILLMAN:

No, percentage wise.

MR. REINHEIMER:

Percentage wise, probably in the 2.5 to 3 percent range.

MR. MCKAY:

So Bank of America was watching this – watching the hen house when this thing went crashing. It crashed and they're still not –

MR. REINHEIMER:

Going back at the same time you were still taking distributions out of the endowment. Part of the problem was that the museum required cash at the same time the market was going down. In order to get the cash, they had to liquidate stocks. So they were selling stocks to generate the cash to remit to the museum. If you were looking at it from a distance, not knowing why you were doing that, it's not a good policy. We sold at the bottom, and we missed the upturn.

MR. SILLMAN:

That's kind of why I asked who the makes the philosophic decisions. Who manages that kind of money at those points?

MR. REINHEIMER:

Bank of America is working under an old investment objective. The Legislature set an investment objective several years ago. This started in a committee meeting when the Budget Review Office wrote a resolution under the direction – it might have been the Presiding Officer, I'm not sure, one of the Legislators – and at the meeting it came up that rather than working and changing the investment objective, maybe we should look for a new asset manager. When that happened, everything kind of stopped. So we're looking to change asset managers. I think there are six respondents for the RFP.

MR. SILLMAN:

And when is that –

MR. GISH:

It's due just about now.

MR. REINHEIMER:

I was hoping that we could get through with this and select an adviser by January 1. I don't think we're going to make January 1, but I'd like to just make it by the first month of the year.

MR. SILLMAN:

What role does the Oversight Committee have?

MR. GISH:

I don't think dealing – well, I will let Barbara answer, but to my best knowledge, the Oversight Committee is not involved in the asset management. In fact, dealing with the endowment they will comment on our fiscal policy and how we're spending our money and based on the amount of money we're asking from the County on a monthly basis. But I have not had any conversations with anyone on Oversight concerning the direction of the endowment.

MR. SILLMAN:

That's purely –

MR. REINHEIMER:

Well, it has a representative from the County Executive's Office, also -- the County Executive's Office and the Legislature.

MR. SILLMAN:

Lance, is this an unusual situation?

MR. REINHEIMER:

Yes, and the Oversight Committee, if I'm correct, sunsets at the end of this year. The Oversight Committee was developed or came to be in conjunction with the distribution of the General Fund.

MR. SILLMAN:

I understand that. I was just more interested in where does the Legislature come down on the philosophic decisions on where you go monetarily with this financial –

MR. GISH:

I think that was a change that they made. The philosophical decisions lead them to produce another RFP with this new philosophical point for the endowment for the Vanderbilt. That's why they actually said,

“Okay. Look, this old Bank of America had a different fiscal policy, a different philosophy of investing. We’re going to change that. We’re going to put out a new RFP and see who can best address that new fiscal policy that the Legislature and BRO has put forth.”

MR. REINHEIMER:

And part of the thinking is that rather than the Legislature setting investment objectives, let’s solicit from asset managers and have them come forth with how they feel funds should be managed. Rather than the Legislature setting the policy and the asset manager carrying out the policy, let’s see what asset managers bring forth for management, and then the Legislature ultimately will have to select or define the investment objective. That’s done by resolution.

MR. SILLMAN:

How long was that process?

MR. REINHEIMER:

The process –

MR. SILLMAN:

To find somebody to replace –

MR. REINHEIMER:

That started last March or April.

MR. GISH:

That RFP when it’s completed will have the list of individuals who have answered the RFP correctly. Then they will make a determination on which one.

MR. REINHEIMER:

They are due back.

MR. SILLMAN:

But you mentioned something to the effect that Bank of America made some kind of –

MR. GISH:

Bank of America, when they put out the RFP for this change of financial philosophy for the endowment, they responded initially to phase one of the RFP.

MR. REINHEIMER:

Request for Expressions of Interest.

MR. GISH:

There was a technical error in their application that disqualified them. So even though they have our money, they know now that they will not be one of the ones that's in the running to do it again. There is, what I might say is a lack of enthusiasm on their part. They did exactly what we asked but they're not going to aggressively try to put us back in the market when they know they're not going to be in there long term.

MR. SILLMAN:

Okay.

MR. MCKAY:

That Hotel Tax, that's going to sunset in five years?

MR. REINHEIMER:

Yes.

MR. MCKAY:

The tax sunsets?

MR. REINHEIMER:

Yes, I think the tax sunsets and the distributions sunset.

MR. MCKAY:

Unless the Legislature talks to – well, it's the State, right?

MR. REINHEIMER:

New York State also, correct. Just to give you the whole story, the distribution from the Hotel/Motel Tax for the museum, right now you're getting 10 percent of that revenue. It can be cut one percent each year. After five years it could be down to 5 percent.

MR. MCKAY:

Who can cut it?

MR. GISH:

The Legislature.

MR. REINHEIMER:

Yes, the Suffolk County Legislature. It's part of the legislation. I'm not saying that that will happen. I'm just letting you know the whole story.

MR. SILLMAN:

You don't think by January we're going to have a new money manager?

MR. REINHEIMER:

Not by January 1 – I don't think so, anyway. I would like to say you will, but this is –

MR. SILLMAN:

You've always been very honest.

MR. REINHEIMER:

We're getting into November now. We have to get the proposals, review them, and rank them. We probably will have presentations and then make the final decision.

MR. OLIVIERI:

And this is in your spare time.

MR. REINHEIMER:

Right, while we're adopting the budget.

MR. OLIVIERI:

I take it that the Legislature is looking for a growth strategy as opposed to an income producing strategy?

MR. REINHEIMER:

I can't speak for the Legislature, but –

MR. OLIVIERI:

You were saying that they had a new strategy. The old one was an income, so that didn't work too well.

MR. REINHEIMER:

I think part of the Hotel/Motel Tax is to take the pressure off of the endowment and to grow the capital appreciation – principle rather than looking for income, which would be more in stocks, obviously.

MR. SILLMAN:

Thank you.

MR. GISH:

Are there any more questions on that point that Art brought up dealing with the endowment? Buildings and Grounds, Ron.

(Dr. Rogers entered the meeting at 6:50 p.m.)

MR. BEATTIE:

A couple of things happening here. I think everybody was surprised to see that the steps at Normandy Manor were being rebuilt. They really did a fantastic job in a very short amount of time. Try to take a look at that. I think there was some other work going on there, too.

Just today as I pulled in, I heard a lot of activity going on. Good old Pete and Tim were out there replacing the roof on the guard shack. I don't know if you noticed, but there is still some materials up there. The guard shack isn't completely replaced. The roof of the mill was replaced, as well.

I know this is going to come up in the President's report, but it's just a brief mention because it does have something to do with Buildings and Grounds. Cannon Corporation came here with a whole bunch of volunteers, and we did things like restoring – they did things like restoring the sand traps and cleaning up the peacock pond and that area. I don't know if you noticed that the hill up to there was cleaned out. Some of the other things -- Carol, what were the other projects that Cannon worked on?

MS. GHIORSI-HART:

All the way down to the boathouse road on the side –

MS. MCKAY:

Planted bulbs, cut back brush, cleaned out the gutters.

MR. BEATTIE:

Don, another Trustee, was there that day. I don't think any other Trustees were there that day except for Noel.

MS. GHIORSI-HART:

They did some work on the dinosaur building.

MR. BEATTIE:

If you kind of noticed, the place was cleaned up a lot. That's it for Buildings and Grounds.

MR. GISH:

Just to follow up on that. Cannon came with 125 people. It was really a corporate effort. The Cannon President was there, his wife, his daughter, and the head of the Corporate Public Relations was also there. They fed their entire crew breakfast before they headed out. They had gloves and ponchos. This was a real effort to make it work. The President's wife had come to the Vanderbilt earlier and liked it. She went to her husband and said that they should make that effort to try to show a little community spirit and be good neighbors.

Cannon, as you know, is moving into Melville for their USA Corporate Headquarters, so they will be close. We were actively urging them on. We put up two signs for Cannon thanking them for their efforts. We made sure everybody had water. Not a drop of water hit that man during any of the downpours when it rained. We made sure he was well protected.

I think we have established some good relations with Cannon. I think they felt good about it also. I polled the people who were leaving. I think they all felt very, very good about working at the Vanderbilt. A lot of them had not been here. A lot of them came up and said they would be willing to come back. I think we established a good relationship with Cannon. We're going to try to work on that.

The President did not like the fact that we had a Panasonic projector in the planetarium. I suggested that if he gave us a Cannon projector, I would put that up immediately, and then we'll move that to the mansion.

I also suggested that if he had the possibility of getting us a weatherproof camera for our upcoming Osprey nest, that that would be good, too. He nodded. I thought we might have made some headway in the educational programs of possibly getting that all weather camera and plug that to sort of uplift our stuffed birds that we have throughout the museum with one that's a little more up-to-date and environmentally friendly. I thought that the Cannon effort was really good.

MR. SILLMAN:

Did we send him a thank you letter?

MR. GISH:

Yes, we did. We had put out – as you saw when he handed it out, *Pennysaver* and *Newsday*, we're making an effort to try to get as much good public relations as possible. For those who didn't see it in *Newsday* to make those connections, we let *Newsday* know way in advance that Cannon was making this big effort. They didn't come for some unknown reason, but Cannon used their own PR department. They had two photographers here. That will be in their spread also.

MR. MCKAY:

There will be pictures in the *Local Observer* and *The Long Islander*. Cannon did email me the article. They were very, very pleased with the press that came through us. Noel wrote a letter thanking Cannon, and that was also published in some of the local papers. Again, they were very appreciative of the positive PR that came out of the event.

MR. GISH:

Hopefully we'll end up with another corporate sponsor who might come in and do similar things on down the line, whatever we can do to sort of make that work.

We have a little show and tell tonight. Since Sarah is not here, and we're dealing with public relations, did anyone see the Travel Channel? They featured the Vanderbilt. This was on the Travel Channel. For those of you who know Samantha Brown on the Travel Channel -- if you go to "Free on Demand," you could go to "Culture and Arts" or "Leisure," then go to "Travel" and then go to "Local Travel." You will see Montauk and a few of the others. Luckily for us, we're "V" so we're at the end of the list. This clip is their routine on the Travel Channel for the Vanderbilt.

(Presentation 6:55 p.m. – 7:00 p.m.)

MR. GISH:

Again, what we're aiming for is positive PR. I think that's a nice level to be at. It was a nice piece, short, but I think for people who are looking for places to go on Long Island, when you get to that Travel Channel, Samantha Brown is not a bad one to deal with. It was sort of soft on the brain. That's what we're aiming for, positive public relations.

Cell tower, I will tell you we had a meeting last week with Lance and Gary Quinn, who is the new Director of Technology Information. We are putting together an RFP that will go out very shortly. I've got the

RFP process underway, and we'll have that out. Hopefully, we'll get a response to that. We want to make it as crisp and clean as possible to meet with County demands.

I have a request in to meet with the Huntington Supervisor to get any comments he might have on the cell tower issue at this stage in the game.

(Mr. Tom Glascock entered the meeting at 7:05 p.m.)

If you remember correctly, when Art and I came on, I hoped to have that groundbreaking September 2009. My aim now is hopefully spring of 2010. That's what we'll aim for. But we are pursuing it. We're not letting it die. The cell tower process is still underway.

Executive Director's Report.

MS. GHIORSI-HART:

I first want to, on behalf of the staff, thank the Board again for the wonderful party. The staff certainly did appreciate it. It was very nice to have a representative there, as well. It was a beautiful evening. We had wonderful clam chowder. We had lots of wonderful conversation. It was good for us to all be together. We are an increasingly small staff. We rely a lot on each other. It's nice to have an opportunity in a social setting to meet and talk with some our Trustees. As small as we are, we are very separated. We have the planetarium. We have the mansion. We have administrative staff. We don't often get to spend time with each other. It was very nice. Again, thank you.

While I'm thanking people, Cannon Corporation did a terrific job. I want to, again, thank our staff for doing a lot of the work leading up to that event in preparing things and having everything ready. I also want to thank the Trustees who came that day to make it successful.

I have talked to Cannon since then, Don and a few of the representatives. They were very, very pleased with the day, with how our staff held up their end of what we needed to do. Carting around bags and bags and bags of refuse. I don't know how many truckloads we ended up with, but it was an unbelievable amount. Peter, how many were there?

MR. NEWMAN:

Eight dump truck loads were bagged.

MS. GHIORSI-HART:

They really did a terrific job. Thank you on that.

I just want to update you on our 2008 audit. We're in the very final stages. All the financials are done. We're just working on the narrative. We anticipate having the draft ready for the Audit Committee in the next few weeks. Hopefully we can vote on it at the next Board Meeting. That's moving along.

Part of the audit was that there was a very extensive discussion on internal controls and things like that. One of the things I was happy to be able to write was that as of this summer we are now officially sanctioned by the Better Business Bureau. We did receive our letter saying that we meet all of the Better Business Bureau standards for charity accountability. Again, that was a long process.

This summer in applying to them some of our financials were not done with (inaudible) reporting in mind, so we have to break through with that a little bit differently. I did make some commitments to them that in the future we would have more of that available publicly so it will be more easily found in our Treasurer's Report. We will break out how much money is expended under fundraising, for example. It's all there, but it's a little bit harder to dig out sometimes. But we can get a report on-line and that's a very important thing for our future sponsors. Again, with things like the audit when we're trying to show that, yes, we did have standards and we let people know what those standards are and what is expected of them. We are happy to have that.

On capital projects, most of them were just mentioned by Ron. But I just want to expand a little bit. Normandy Manor, they are currently working inside as well on the windows, which are all being replaced. They are doing weather-stripping. They are replacing a lot of rotten wood there. They expect that project to be finishing up fairly shortly. We hope in the next year to work on the roof and some of the trim work that needs to be done.

That project is coming to conclusion, as well as the capital project for the security system. That is just about finished. Next Friday we have a meeting to discuss that. That project is just about finished.

We have had a lot of activity going on. We also will probably be doing some work down at the boathouse.

The Goto replacement capital project, just to give you an update on that, we're moving a lot slower than we would have liked. The RFP is essentially complete. Yesterday we met with the Budget Review Office and DPW. It needs to still come out of Purchasing. We need some approvals and signatures from the County Attorney, from the County Executive's Office, and the RFP will be out. We're very hopeful in the next couple of weeks that the RFP will be out. That puts us a little bit behind. It's quite possible we can make up the time, though. We will see.

MR. GLASCOCK:

I just have a question. I'm deaf in my left ear and have significant hearing problems, so I missed some of what you said. What RFP were you just referring to?

MS. GHIORSI-HART:

This is the RFP for replacing the star projector. It's quite a hefty one. We had a lot of different advisers and consultants. It's very, very technical. But everyone is very happy with the work that the team did. We're very hopeful.

Marketing promotion is a priority for us certainly in the coming year. We are working more closely with some of the area print publications putting out different ads. Don, Sarah and the County Legislature's Office have been assisting with PR. When we get a press release out now, we have about four different places or people that we are further distributing it to. So we've gotten some very nice placements. We have some local publications that also know that we can react very quickly with a very pretty looking ad. They are calling me and saying, "If you can get me something in 30 minutes I'll give you the front page for a quarter of the price." We are finding it effective.

For example, we put in a small ad in a parenting magazine, a Long Island parenting magazine that was highlighting birthday parties. We did mention birthday parties and a few other things. Because we did that, they gave us a little feature on birthday parties and then a listing in there where to go for birthday parties. Yesterday we got four bookings from people who saw that. It's a give-away kind of thing you pick up at the pediatrician's office or elsewhere.

We're seeing how doing those kinds of marketing – we're investigating even more to pinpointing marketing for certain kinds of things that was a particularly good place to try to get birthday parties, and we're

looking at other kinds of venues for different people. We're looking forward to doing more of that.

We have another on-line *Newsday* video that's going to be coming up I believe the first week in November. They came and filmed on Columbus Day. They have done some wonderful pieces that I think are still available on-line. They had done one with Dave Bush in our planetarium. Then they did our Living History Program. They're usually short three minutes pieces, but they're on-line, and they really get a lot of viewings. We're working closely with people with a variety of media formats. We are moving more into digital world and social media, as they call it. We have different hits on You Tube and different venues that we're starting to look at as well.

Also, we went over some of the upcoming events, but we've added a new one since our Education Meeting. On December 19, we're having Bella Gaia here performing. This is a live music performance that will be in the dome with beautiful video images of our planet Earth. It's a wonderful program that we had previewed at Chicago at the International Planetary Society Meeting. Dave Bush has put this together. So that will be a Saturday evening special event with live music and this art video. We will have a telescope observation session after that and probably some refreshments.

We have already started the PR on that and getting out some of the ads. We will be taking an ad out in *Newsday's* "Luxury Living." That's coming out November 20 for Holiday at the Vanderbilt. We have a number of different holiday things that we mention. We have a decorated mansion coming on-line as of Thanksgiving. We have our Christmas tree lighting. We have a holiday dinner in the mansion. We have candlelight tours the week of Christmas break. We have special holiday planetarium shows and holiday laser shows. So we have a whole nice thing to package.

Again, to make it cost effective, if we can put them all together in sort of one ad, "Holiday at the Vanderbilt," and list some of these things and drive people to our website, hopefully these kinds of things will start to pay off for us. We are excited working with our designer, working with Ron and Tom to start to get that branding out there with imagery, as well as things like tag lines, which were discussed before.

Then our Operating Budget – the County Executive's Operating Budget came out a few weeks ago. And then BRO's budget came out last Friday. We did go to the hearing in the Parks Committee yesterday.

There are a number of recommendations in BRO's Report. Some of those you have already heard. One of the big ones is that our 2010 Budget that was crafted in June, with advice from different people in BRO and the County Executive's Office, did assume \$750,000 from the Hotel/Motel Tax and \$250,000 from our endowment from interest income for about \$1 million.

In the last ten years we have had \$1.2 million, so things are still being cut down a little bit. Now with BRO's recommendation, they are estimating \$692,000 coming from Hotel/Motel Tax and recommending that we don't take any distribution. That's about a \$300,000 cut. We're going to have to look at BRO's recommendation very carefully. We usually do revisit our budget in November/December for the following year, since it's made in June and a lot can happen, as we know between June and January. Certainly the Finance Committee will be meeting, and we will be revising the budget and we will sort of see where we're at at that point.

I do want to just – because a little bit of the review is addressed specially to the Board, I just wanted to let you know that BRO is recommending that the Museum's Board be directed to update its June 2009 Business Plan and prepare a 2010 Business Plan. Business plans should include the museum's updated business plan. The MTA Employment Tax, which is not included in the museum's budget preparation for 2010, which will be approximately \$3,200, no disbursement from the endowment trust fund in 2010.

A more conservative estimate, \$700,000, of the Hotel/Motel Tax revenue than included in its requested budget, which is \$750,000, for the Executive's recommended budget, which was actually \$800,000. Prepared contingency plan revenue from the Hotel/Motel Tax or endowment did not materialize in the amount included in the recommended budget.

Those are some of the things directed at the Board. It's more extensive. The Budget Review Office – Jill Moss, in particular, really does a very careful read of all our minutes. Jill and I contact each other quite a bit. It's very, very thorough. They have a very good handle on where things are. We might not always agree, but certainly it will give you another kind of picture, and we can talk further as we really start to look at our budget and contingency plan.

This is available on-line. If you go to the Suffolk County Legislature's website, they have a link for on-line documents. You can find it

through there. I will email everybody the website, so you can just click and get there. You should definitely, all of you, take a look at that report. We will be talking a lot more. Clearly finance budget problems are at the forefront in my mind and almost all of our staff discussions, that's where we start and where we end with money and budgets. That's not going to end.

I think I will end on wonderful, happy news that the Hotel/Motel Tax did go through. We have to thank Steve Englebright, again, and everyone in the Legislature who voted that through. Clearly without that we would be in a very different situation than we are today. Today I think we have a lot of hope. We have a lot new initiatives going. We're excited about what the new year is going to bring. We'll leave it on that note.

MR. GISH:

Any questions for Carol? Okay, since we're talking about new proposals, I will inform the Trustees that we do have a proposal that was given to Carol concerning the use of the curator's cottage. Right now that building is not being used. We have a proposal that it be turned into almost an adult arts and crafts center. The proposal as presented to us would include educational classes that would involve fiber arts, painting and drawing, print making, basket weaving, jewelry making. There was some mention of making shrunken heads, but I think that was a joke. - Tie-dyeing, life drawings and paintings -- it would operate from the curator's cottage.

The program as described would cover the cost of utilities. The person coming in to take it over would cover the cost of utilities. We would then split all of the profits from the art generation 50/50 after that is over. We would also have a gift shop operating from that facility as well, besides the one from the planetarium, and a gift shop if in fact it was artist generated. I believe, 66 percent would go to the artist, and then there would be a division between the person who is running the program and the museum.

It would only last for one year. We would see how it would work for both the museum and the program operator. I would like to ask your permission to allow the officers to review the proposal, add some depth into making an agreement with that person before December, so that could be on-line for 2010. I think we do not at present have any plans for the curator's cottage, and I think we can take that year and see whether that plan can develop.

If there are any questions on that or any objections to that, I would like to hear them. We'll run all the particulars past the officers and see if we can get on board with that before the end of the year. Again, it's not going to be a lay out for us because the utilities would be covered, and we would make money on down the line. There would also be framing taking place. It's really just going to operate for adults. We have the things going on for kids during the day. This might operate both in the morning, afternoon and the evening for adult classes that would come in. I think that that would be fine. Maybe we could get the Long Island Stitchers to come in and do some work here.

MR. MCKAY:

Would maintenance of the building be covered –

MR. GISH:

Maintenance would be covered, yes, in that we would not have to worry about maintenance of the building during that time period or clean-up.

MS. OLDRIN MONES:

How about insurance? Does the person have liability insurance?

MR. GISH:

Yes, the person would carry liability on the building, but I'd like to, again, rather than just – since Carol and I just heard the proposal, I'd like to address that with the officers and then go over it in some detail. If that's okay with the Trustees?

MR. OLIVIERI:

Absolutely. Is it going to be some sort of a --

MR. GISH:

Yes, I can't see that being a losing proposition. It's keeping in line with our mission of education. It's just going to include adults. I think that that's a plus.

MR. OLIVIERI:

We don't need any potential losses. We did that already.

MR. GISH:

I can manage potential losses on my own. I will not try to involve the institution in on that.

MS. GHIORSI-HART:

At worse case scenario, the utility bills are paid and it gets cleaned up. Hopefully it will be a lot better than that.

MR. GISH:

Again, we will have an ancillary gift shop and possibly an area to have art displays, which we do not have now. That was one of the ideas that we had for the opening of the planetarium. Dave Bush had mentioned that he would love to have done a year long contest for art of the universe, somebody on Long Island maybe through the Arts League. We would give them a theme. They would come back with oil or acrylic paintings, and then we would have judgment and maybe a showing. This might be a venue in which that could be displayed. The artist can then sell their work. Artist selling their work, we would also then make a commission on the sale of the artwork.

MR. MCKAY:

That's not going to happen in the garage with the two cars, is it? Would they be evicted?

MR. GISH:

No, I do not believe that the cars would be evicted.

MS. GHIORSI-HART:

No, the basement would not be part of this. This would be the first floor.

MR. MCKAY:

Maybe we could fix those cars up and –

MR. GISH:

I'll try and get them to fix the cars up and paint them in a 1960's fashion with daisies. Yes, Tom.

MR. GLASCOCK:

Do you have a contemplated operator for this?

MR. GISH:

Yes, we do.

MR. GLASCOCK:

Any thought whether we would have to put out an RFP and see if that's necessary?

MR. GISH:

This was such a specific request. We wanted to get started early. It was fairly well delineated. I thought we would just go with it. I don't know who else would come in on Little Neck Road and run an adult –

MR. GLASCOCK:

It's just procedurally whether or not we would need –

MS. GHIORSI-HART:

I don't think we need to do it that way.

MR. GISH:

I don't think we need it in this particular situation.

MS. GHIORSI-HART:

Procedurally I don't think it's required that we do an RFP. This individual, the operator, is known to us, a former employee. If it was coming from someone off the street, I'm sure we would be reacting very differently.

MR. GLASCOCK:

When I say procedurally, I don't mean whether or not we have a relationship and you're comfortable with that, but whether or not the County –

MS. GHIORSI-HART:

That's what I'm saying; there is no requirement that we do RFPs.

MR. GISH:

We checked that out already. This would just be our in-house operation. We asked all the questions initially, but I think we'd like to run it past the officers and get their input. If they say no, obviously it will be no, but we'd like to move quickly on it so that we're on the books for 2010. Any other questions on that?

We do have Veteran's Appreciation Sunday coming up on November 8. I would still like to land a helicopter here, but I need \$1,500. I keep going around and no one wants to give me that, not even Northrop Grumman, but if anybody knows of anybody who would like to contribute to that for that day, the flying memorial – they have a helicopter that left from Vietnam that's out in Cutchogue, and they will fly it in between 12:00 and 5:00 on that Sunday as an attraction.

They do need gas and maintenance. They are doing the best job they can. They are holding on as long as I can keep them going, but I thought that would be a great attraction, if we could get them to come in. If somebody has a sponsor out there or a bank that they know, just give me the name and I will go see them. That would be fine.

I'd like to tell you that we do have a new Superintendent of Buildings, Grounds and Historic Restoration. Peter Newman has agreed to do that. Peter, if you would stand up, please. That's a new title for Peter. He will be with us forever. He agreed to that. It may have been forever or two years. I can't remember what it was.

We have completed our contract for Carol. Carol has signed her contract for the Vanderbilt until October 2011. That contract was reviewed by members of the Oversight Committee and reviewed by George Nolan, the Legislative Attorney. He advised me to make some corrections, and those were done. Carol has signed the contract, and I have signed the contract. Carol is now officially with contract. So for those of you who have been toiling over that for a long period of time, have no fear. It is now complete.

That's where we are at this stage of the game. Any questions? Any old business?

MR. BEATTIE:

I think I'd just like to bring up some of the things that have happened today with the food services that everyone should be aware of. I'm sure in the last couple of meetings we discussed it a bit. We have had in terms of reviewing the food service proposals, we only had three come in, and one of them was withdrawn. I think there has been an expression of interest from someone else who hasn't formally proposed.

Based on the way it was going, and it was all over the map, we decided that we should endeavor to get more. So we did a tour today with one. We spent a good two hours with them. It went a lot better than I was anticipating. They had previously turned us down. Just getting back here and having the dialogue again was good.

Then tomorrow Carol, Noel and myself are meeting with another potential. We're keeping that going. It's not a dead issue. We're not ignoring it. We're keeping it going, and we're just trying to get more interest, more ideas so that we can have a better choice. We're hoping

by November, December we will be able to have a formal recommendation. I think that's what we decided on.

MR. GISH:

That was a comment that was made yesterday at the Parks Committee. I believe Legislator Jon Cooper made that comment about where were we with the catering RFP. We didn't get a chance to comment on it, but for the record, we are still pursuing that. We didn't have many that came in, but I would love to have been able to say that we are meeting with somebody today, which we did do. We're going to continue to do that and see if we can get more in.

The problem seems to be, and I'll make it very, very simple, that we have a big proposal in which someone is willing to come in and give us x-amount of dollars. I guess I can say, since I'm not going to say the person's name, the amount of \$135,000 a year. But in that agreement, they would put up an additional tent near the marine museum, luxury port-a-potties between the garage and the marine museum. They would take over the garage as an assembly area. They would take over the bottom floor of Normandy Manor as their offices and would put together probably a minimum of 50 events a year having two tents, control of the cottage and Normandy. We would be guaranteed \$135,000 a year income. That would eliminate Shakespeare. It would eliminate a lot of the programs that we run for kids at the cottage. It would really, for all intents and purposes, make us a -

MS. OLDRIN MONES:

Do you mean the cottage or the -

MR. GISH:

I'm sorry, the education building. I keep saying the cottage - I'm so embarrassed. The education building was the garage on site. We would more than likely increase the grief factor from the neighbors. You know that when we had our activities last year, we ran across a lot of problems with noise. If you put up two tents and you do that, they're going to be hot and heavy.

This year, even with a very core year, we managed to accumulate the amount of \$100,000. We'll just round it off to \$100,000 this year with our site programs. That's \$35,000 short of what we would get if we went with the big guns, but we're still keeping our mission here, and we're not becoming a bridal factory.

That's part of what we're looking at. We're looking at, yes, \$135,000, but we're looking at ways where we might be able to increase our visibility in our market. I think we only had how many events this year, 12?

MS. GHIORSI-HART:

Of all different kinds, about 12.

MR. GISH:

Rather than 50. We're doing fairly well on our own at this stage of the game.

MR. BEATTIE:

In a decidedly bad year.

MR. GISH:

Yes, in a bad year. Our strategy is to move in the other direction and maybe do it on our own, but we have that as one. Then we have someone who wants to come in here and just run a coffee shop in the planetarium. We have really both sides of the spectrum. We are trying to increase our knowledge of who else is out there who might have another possibility.

We're still looking at the seaplane hangar. I will tell you that we took them down there today and made our pitch to improve that seaplane hangar. We took them around to show them what we do have and what the possibilities are. We told them about that Board of Health regulations have come true and been in the past have been sort of stumbling blocks. We have talked about sanitation. We gave the pitch the best we can, so that no one is misinformed, so that we might end up with an answer that we might find acceptable. If we get that, and we get somebody to come in and do some work on the seaplane hangar, we can maybe motivate the County to release their money for that. I think we might be able to come out with something better.

We are still actively engaged in looking at catering. I don't want you to think that we stopped. We did not. We are trying to get more input than the three with one removal that we had. Tom?

MR. GLASCOCK:

You mentioned \$35,000 difference. If we had 12, that's \$8,000 – are we talking if you had four events –

MR. GISH:

We would be up to where that initial fellow was that he was going to –

MS. GHIORSI-HART:

I can tell you – because these are not final numbers – but the 2008 audited site use fee, income, which does include birthday parties, but the bulk of this was \$185,000 for 2008. That's because we did 18 wedding receptions. We did a number of other things, too. But the bulk of that \$185,000 revenue was the big events.

MR. GLASCOCK:

When you talked about 12 weddings, to double that – or is that more than the staff can handle?

MS. GHIORSI-HART:

It's not about staff because we just hire more staff. It's a matter of logistics for the site. We don't have dedicated venues for these things. When we're doing it ourselves it's hard to do more than one big event on the weekend.

MR. GISH:

It's difficult to do the turnover from Saturday to Sunday – to get one person in and one out because they want to set up.

MS. GHIORSI-HART:

Practically speaking, it's impossible to do. Say a Friday night reception and a Saturday night reception because they are going to be renting things, and they want to drop them off on Thursday, so it's difficult for us to do more than one event, practically speaking.

From a policy point of view, we probably don't want to do more than one event, even if we could, because then we're stressing our neighbors out that much more. It means we can't then do the other things, like Shakespeare or our own events. It's something that we really have to analyze and look at very, very closely.

MR. GLASCOCK:

We have three months of warm weather, so that's 12 weekends. If we did one each weekend, and that's 12 –

MS. GHIORSI-HART:

We go from May to October. It's more than – it's about 18 weeks. We maxed out last year. We did. I wouldn't say that on weddings that we could do much more than that. This year we had a huge drop on full-

out wedding receptions, but we made up for it with ceremonies. We did a lot of ceremonies, and that we can do more in a weekend. We're doing a lot of corporate kinds of events, birthday parties or other smaller events that have less impact on the institution or on our neighbors.

I think one of the things we will be evaluating is whether or not we can – instead of getting the income from these big major parties that affect parking, that if we can start just to get more people in but smaller venues –

MR. BEATTIE:

I don't know if Noel mentioned it, but the one big one that we got, they were talking about doing 40 to 50 a year in that compressed six month timeframe. We might as well just not be able to be in the museum business anymore. We would do a catering shop that has an adjacent museum to it. We would be the afterthought.

MR. GLASCOCK:

In my mind, counties and towns all engage someone to run a catering operation for a golf course or a park. They will make a major capital investment. They will build. They will put \$100,000 or more into something. If we're giving up these other things and we're not getting any capital investment, it makes it much more difficult.

MR. GISH:

It's tough to build a permanent facility here on a national historic site. We would run across some problems with that, unless we use one of the buildings that is already here, like the seaplane hangar. We're trying. We took them down to the boathouse. We were looking at every possibility that we could to utilize the facility that we have. That's what we're aiming at. If anybody has an idea or a hook that they think we can use, let me know.

MR. GLASCOCK:

I have an idea. I will talk to you about that later.

MR. BEATTIE:

Potential caterers that might want to look at the site.

MR. GISH:

We will gladly do that, but we just didn't want a tent in front – well, I shouldn't say, "We don't want." I would be kind of upset with an

additional tent in front of the marine museum when it's open to the public and have a wedding going on in a tent –

MS. OLDRIN MONES:

They're talking about two tents, right?

MR. GISH:

Two tents. That would be one of them, but it would be right in front of – I said two. When you come out of the marine museum you have that wonderful view to Northport that would now have a tent in front of it. That's where I was going to land a helicopter. So these are all of the problems that we're trying to work through on that. Any other questions on catering? Any new business? May I have a motion to adjourn?

MS. PASTORE:

Before we adjourn can you please just take that vote on the minutes? We didn't have a quorum before.

MR. GISH:

Yes, can we have a motion to accept the minutes from the last meeting?

MR. GLASCOCK:

Motion.

MS. OLDRIN MONES:

Second.

MR. GISH:

All in favor? Opposed? **(Vote: 8/0/0/7 Absent: Mr. DeLuise, Mr. Swinson, Ms. Dwyer, Dr. Gittelman, Ms. Anker & Dr. Pecorale. One vacant position.)**

(Mr. Gish adjourned the meeting at 7:45 p.m.)

NG:ap