

Suffolk County Vanderbilt Museum

Board of Trustees

Minutes

A regular meeting of the Suffolk County Vanderbilt Museum Board of Trustees was held at the Planetarium Lobby, Centerport, New York, on April 17, 2013.

The following were in attendance:

Ronald A Beattie - President
Kevin Peterman - Secretary
Michelle Gegwich - Trustee
Michael Mule - Trustee
Betsy Cambria - Treasurer
Duncan Armstrong - Trustee
Jack DeMasi - Trustee
Lance Reinheimer - Interim Executive Director
Lorraine Vernola – Staff
Ann Marie Pastore – Stenographer

Excused Absence:

Joseph Dujmic – 1st Vice President

Absent:

Gretchen Oldrin Mones - 2nd Vice President
William Rogers - Trustee
Dr. Steven Gittelman - Trustee
Thomas Glascock - Trustee
Anthony Guarnishelli - Trustee
Stephen F. Melore – Trustee

(Mr. Ron Beattie called the meeting to order at 7:00 p.m.)

MR. BEATTIE:

I'd like to call the April meeting of the Suffolk County Vanderbilt Museum to order. We'll start with the Pledge of Allegiance.

{ SALUTE TO THE FLAG }

Thank you all for coming. We do not have a quorum yet, but we're going to start the meeting for time purposes. Does anybody have a public address for the Board? I don't see anyone out there in the audience, so we will skip through that.

We will skip through the previous meeting minutes because we don't have a quorum to vote on them.

We will now go to committee reports, Finance and Treasurer's Report.

MS. CAMBRIA:

I need a microphone please.

MR. REINHEIMER:

Here you go.

MS. CAMBRIA:

You all have this legal sized sheet for the actual for February. Lance informs me that under "Membership" we have fifty-eight, ninety-five, which was interesting to me. I didn't realize that libraries pay to get those library passes that they give out to the public. So that's a form of revenue. It's a win/win because lots of people use those. It's \$500 per library.

Under the "Endowment" we have income of \$60,000, which the last time that we took a disbursement was last September. We needed to take the \$60,000 because the planetarium hadn't been open prior to that. So we needed it for Operating revenue. This report is prior to the opening of the planetarium.

"Site Use" is sixty-nine, sixty four. That reflects deposits for weddings and also site use for photographers and other presentations.

The "General" figure, which was fifty-nine, twenty-five, reflects the rent which we collect every month for the property across the street. That's the end of the report.

MR. BEATTIE:

Very good. Thank you, Betsy. Does anybody have any questions for Betsy?

Education and Exhibits, Gretchen isn't here, so I think we're going to have to impose on Jack to do that report.

Also, I also should put on record that Joe Dujmic is not here because he is sick today, so he has an excused absence. Gretchen is out of town. With that, I know Jack has a copy of the Education and Exhibits Report.

MR. DEMASI :

In which case, I will be pleased to read it. I have lots of good news to report from the Education and Exhibits Committee. The meeting was held April 11. As expected the planetarium continues to be a hit with many shows selling out. On weekends and during the spring break week, Lance added shows to accommodate the demand.

Lorraine and Dave have started doing live lectures with school and public groups and are training console operators to augment the half hour shows with ten minute talks. There's tremendous interest in how the star projector works and talk before the show would enhance the whole presentation.

Dave continues to work on education and public programs, and by mid summer we'll have the full dome video star program operational. He continues to plan for new lobby exhibits. Right now he is working on an exhibit of astro photography and space art.

Summer education workshop information has been distributed to local schools. Six workshops for pre-schoolers and six sessions of the week-long workshop "Sail the Seas with Mr. V" are being offered.

The brochure for visiting camps is expected to be mailed by May 1, although several camps have already made reservations for the summer.

Beth attended a museum education meeting at the Cold Spring Harbor Whaling Museum on April 5 and will attend another in May.

Educators will attend International Museum Day at the Middle Country Library on May 16 and the Wildlife Fair at Sweetbriar Nature Center on June 8. A traveling touch box will be brought to both events and the educator does a hands-on presentation of preserved marine life.

Grant funding for expenses for the staffing and the operation of the traveling science bus has recently come through, allowing for an August kick-off with the schools' start in the fall. There are plans for the bus to be on exhibit at International Museum Day, which would be tremendous exposure.

In the mansion, there were an amazing amount of tours in March. There were seven hundred and fifteen compared to four hundred and fifty-six in March of 2012. Now that the planetarium is open, all programs and exhibits are benefitting.

The Elsener Company returned on April 4 to reinstall parts in the pipe organ, which were taken back to their shop for repair. They will return this week to complete the tuning.

The pair of chairs from the breakfast hallway have been reupholstered and replaced.

Stephanie visited Claudia Dowling's studio on March 29 to select samples for the new carpeting in the mansion. Claudia is ordering larger pieces of the samples and will visit the mansion so they can make a final selection.

Stephanie, Lance and Dave took part in the filming of a short promotional video for the museum on March 18. It will be featured on the website.

There's a unique opportunity for us to increase the collections by acquiring some pieces from the Consuela's estate to be auctioned by Doyle's Auction House April 23.

Finally, Lorraine's initiative to involve teachers and students in the renaming of popular planetarium programs has been enthusiastically received. A sample of the response so far is a poster and a letter from Mrs. Yanez's 1st grade class from Ann MacArthur Primary School in Locust Valley.

I have a letter and a poster for you to look at. I will pass that around.

And that's the end of the report.

MR. BEATTIE:

Thank you, Jack. Does anybody have any questions for Jack?

MR. DEMASI:

Very good because I don't really have any answers.

{LAUGHTER}

MR. BEATTIE:

Okay, there was no Development/Executive Board Committee or Planning or Community Relations Committee.

Just to interrupt a little bit in terms of the conference call technology that we discussed in the last meeting, we are going to – we have some information on some of that, so we can have those committee meetings on a more regular basis. But there are still a couple of other technologies that we want to take a look at before we decide on that.

Okay, we'll go to Buildings and Grounds.

MR. PETERMAN:

Certainly. Let me start off with the good news again. Thanks to Suffolk County DPW, the Marine Museum roof work is complete. The Stoll Wing roof work is complete, as well. So, again, we really want to thank – I just wanted to ask if we ever sent that letter to the Commissioner? I was just wondering.

MR. BEATTIE:

We are about to.

MR. PETERMAN:

Okay, thank you. Good, because I think they deserve that for the planetarium work they helped us with and –

MR. BEATTIE:

I will read the letter on the record later on.

MR. PETERMAN:

Okay, thank you. Of course, we still have problems with water leaking. In the archives it's still leaking on the desks and the computers. In the guide's room the ceiling still has the leak. Of course, the Northport Porch and the Habitat still have leakage, as well as the Windsor Bedroom. I think it's continually getting worse. That's a big problem. I don't know how we're going to deal with that or if we know where that leak is coming from, but it just seems that every month it seems to be getting worse.

MR. REINHEIMER:

Aside from the roof, there is a porch above the outer part of that bedroom, but the area that's really having problems is not where the roof is. It's the wall itself. It's leaching through that wall.

In the period of a year and a half, that has gone from totally fixed and restored to crumbling again. It may be a problem with drainage in the leaders and gutters, but it's mostly leaking through the wall there.

MR. PETERMAN:

Okay. That's the end of the Buildings and Grounds Report, but at the last meeting, I volunteered to look into a possible audio system for us to purchase. I probably need a little bit more information. The reason for that is you can go from different extremes. You could go from a one-hand held microphone and pass it around, but I don't think that would work for us here.

It's obvious the equipment is very old, and we need to upgrade. We are still using audio tapes. I deal with students that want to know what an audio tape is. True story. Everything is digital. We should be able to put these on a little card. You can get a broadcast quality hand-held digital recorder for \$300 or \$400. That's one solution.

But the next part is, how many microphones do we want? That adds up. There are systems that are totally designed for Board meetings. In fact, at the college we have one. It's got a nice goose neck. The individual can turn the volume up and down. The person that has the Chairperson's mike can deal with everyone. It's a system that has ten mikes that are daisy chained. It's a nice little system. I actually have kind of a picture of what I'm talking about.

MR. BEATTIE:

Do you mean, the Chairman can cut someone's mike off?

MR. PETERMAN:

Yes.

MR. BEATTIE:

I love that system.

MR. PETERMAN:

The individual mike has a little volume and an on/off button. In other words, when the button is red, it's live. Then you would hit the button and it's off. Then the individual can control the volume. It has a little PA system. All you would need on top of that would be to have a digital recorder.

The problem is we are talking probably \$3,000.

MR. BEATTIE:

Ouch.

MR. PETERMAN:

Well, that's why I wasn't going to go too much further without having some parameters. At some point, I need some direction because, like I said, you can go with a little digital recorder, but that's not going to deal with all your mikes. Most of these mikes and cables are old.

MR. BEATTIE:

I believe that Terry Pearsall also indicated that he might be able to help us, I guess, with the funding on this.

MR. REINHEIMER:

I saw Terry today, and Budget Review is going to check into that. They weren't able to do that this past month. The capital program is now out. One of the people is on vacation for an extended period, so they hadn't been able to get any information back yet to Terry.

MR. PETERMAN:

We certainly have been dealing with this system for a while. Another month or two is not going to hurt.

MR. BEATTIE:

Exactly, although, it might hurt Lorraine and Ann Marie, but we'll do our best to work on this and fix things up.

Is that it, Kevin?

MR. PETERMAN:

Yes.

MR. BEATTIE:

Any questions for Kevin? Thanks.

Human Resources I will hold off on because we did have a conference call on Human Resources. A lot of things were discussed, and I'd like Tom to report on that. He told me he was going to be late. I was hoping he would be here by now.

The Executive Director's Report, Lance.

MR. REINHEIMER:

Thank you. I will pick up where Kevin left off with the capital program. Today the Parks Committee passed out the \$100,000 resolution to do water intrusion, specially for the mansion. So that passed out of committee. That will be considered at the General Meeting on Tuesday at the Legislature.

It's critical we have this money to assess and work on immediate problems in the mansion area. This dovetailed with our budget request for \$700,000 for water intrusion in next year's capital program.

That project, along with the many other projects in the County, were cut. The proposed program has \$100,000 for us rather than the \$700,000 that we requested. That's all that's in the 2014 capital program for the museum, \$100,000.

This is a proposed program. There are committee meetings. We will have a chance to air our concerns before the Legislature about how important it is to preserve 100 year old buildings, history and to mitigate water problems before they become bigger problems.

The good news is the \$100,000 is out of committee. The bad news is that we have very little money next year to address these problems. We do have a chance to talk to the Legislature on this.

(Ms. Michelle Gegwich entered the meeting at 7:25 p.m.)

This past month has been an excellent month. As we all know, the planetarium opened on March 15. This past month we had ninety-five hundred visitors. That included the school break, so we had planetarium

shows open during the week. We had several thousand visitors that week. We have brought in over \$100,000 to the museum.

I included this report for you. This is straight out of our ALTRU report program. It's not a custom report. It's part of the ALTRU system, but it shows you on the second page \$107,000 in revenue coming in. This does not reflect the whole museum. It doesn't reflect some of our group deposits and some of our weddings and such. But it gives you an idea of the grounds.

The other part, so that you understand the numbers you're looking at, that top number where it says 4,691, those are transactions. Those are not visitors.

We had 9,500 visitors, but 4,691 transactions. Admissions, \$75,000 for this past month. Group sales, mostly this reflects our education program. I'm happy to report that we have had excellent response by schools. They are coming in. They're making reservations now for the remainder of the school year. A lot of smiling faces come out of those programs. I had the pleasure of sitting in one of the programs, a first grade program. It held my attention.

Lorraine is excellent because she includes audience participation. She asks a lot of questions. I'm embarrassed to say that some of these kids knew answers that I didn't know. She really holds their attention.

To take a group of 100 first graders and hold their attention for an hour and have them actively participate in learning it's just a wonderful program to watch. This is active learning. It's not passive. When these kids come out, they actually know more than when they went in. We should be really proud of our education programs.

As part of that, we're getting letters from various schools expressing how impressed they are with the staff and with the program. I just wanted to provide this report for you.

Related to staff and glowing reports, I included a letter that I just received today, an email, from special education teacher of Great Neck North High School praising one of our employees, Tim Roth. He's a new employee. He works in the store. He also works as an usher. He works during the week for school programs. He paid so much attention to one special needs child who was afraid of the dark and afraid of the planetarium. The teacher said in this letter that this little girl has been waiting three years to go to a planetarium show.

The day of the show, she couldn't get into the planetarium. The dark scared her. Tim took her aside, worked with her and over a period of time, as described in this letter, eased her into the show, got her in, and she did see the second half of the show. We should be real proud of our staff because

they paid attention to this child. They helped her overcome her fears. This child was able to see a planetarium show where normally she wouldn't be able to sit in the theater. I will pass this letter out for you and to have on the record, because it's a wonderful letter.

Good news, too. National Grid Foundation, we've been working with them for about nine months. We received a check for \$13,000 for the traveling classroom. We applied for this grant for special needs schools with the plan to start the program this spring. I spoke to National Grid. We amended the grant so that it would start in the fall. It will probably kick off in August. That gives us time to hire staff, develop a program and get out there.

There is interest in this classroom program. We get calls on it all the time, and we're not even promoting it at this point in time. I know that once this gets off and running, this is going to be a tremendous addition to the museum. It's labor intensive. It's management intense. It's a difficult program to administer, but I think it helps us show the world that the museum and the Vanderbilt are here, we're doing well, and we're expanding our programs. That coupled with the response we've had to the planetarium is just great.

You have to visit our website. We're still undergoing some major changes, but we have videos on there. We have trailers for the planetarium programs, so if you want to see a planetarium program and you are not sure which program to see with your child, we have trailers so that you can see the program description. We're doing a lot to promote the museum, promote the planetarium and to keep this momentum going.

Part of that – I'm going to pass around a one-off sample prior to printing, and this is our summer camp brochure that we'll be sending out. I picked that up today from the printer. We will be sending that out to various people on mailing lists at camps and groups.

One of the requests from the last meeting was to replace our road signs. I contacted the Commissioner of Public Works to ask if he could help us with the sign shop in Public Works, and he said it depends how much we're asking for.

During this past month, I went around and took an inventory of the signs that I know are out there. I will pass this around. I'm preparing to send to Public Works, it's a description of the intersections or the roads that the signs are on with pictures of the signs. Then I'll include an index so that you'll have a listing and I'll probably include a map so they can mark it. It shows where our signs are. I will pass this around for you.

I also sent out an electronic copy of the annual endowment report that's done by Budget Review. If anyone wants a copy, I have copies here.

At the Parks and Recreation Committee meeting of the Legislature, PFM was there to make their annual presentation coinciding with this report. We had an excellent return. There was a 13 percent return. The endowment is at the highest level – at the end of this report it was at \$10 million. At the end of March it was at \$10.35 million. So it's going in the right direction. There are concerns in the financial market for interest rates as interest rates go up.

The investment objective of the endowment is 50/50. It's 50 percent in bonds/50 percent in equities. There may be some discussion about giving the investment advisor a little bit more flexibility on deviated from the 50/50 in order to respond to a changing market. As interest rates go up, the bonds and the principal and premium on bonds is going to evaporate. They would sell the bonds when they see that, but then they wouldn't be able to invest in anything else, as it stands now, if it's a 50/50 investment objective.

It's a very good report. The value of the fund is at the highest value since 2007. It's not at an all-time high, which was about \$17.5 million, but it's going in the right direction.

MR. PETERMAN:

Excuse me, but can I just point out that if you're not aware in this document, Appendix A gives you the history of the Vanderbilt. I think it's important for us to know, as Trustees, the history. So if you get bored with the financial stuff, look at the history.

MR. REINHEIMER:

The other part, distribution from the endowment, as Betsy had said, was \$85,000 last year, which is the lowest distribution in years, too, for the museum. We're very careful about taking distributions from the endowment.

In the Education Report, there was a little discussion about the Doyle auction that Stephanie went to or is planning on going to on the 23rd of April. She went in and previewed some of the objects that they are auctioning. They also had an auction that she went to on Monday where it was jewelry and artifacts, gold cups, a gold tray that had a root in silver of one of his adventures took him. That tray went for \$100,000. I can't remember what the gold cups went for, but it was a significant amount. There was jewelry. It was hard for Stephanie to sit there and see Vanderbilt artifacts be scattered across the world and that collection, of course, is lost for ever.

We do have a chance for photo albums and personal pictures of the family that Consuelo had. That auction is on the 23rd. Stephanie had asked me about allowance and the possibility, in her professional judgment, to purchase some of these artifacts if the price is right.

We do have funds from the sale of the Chrysler. I think it would be prudent for us to give her an allowance. It shows again that this museum is interested in taking advantage of a very rare chance to add to our

collections. I think it would help us, too, with the AAM to show that we are looking wherever we can to purchase or to acquire any artifact that is directly relevant to this museum.

I'll ask Ron to address those issues, but I think it would be nice to give her an allowance to be able to participate in that auction.

MR. BEATTIE:

Absolutely, and it's a shame – I'm curious in terms of some of the people that did purchase them, are they willing to loan some of these treasures back to us? Or have we tried to –

MR. REINHEIMER:

The unfortunate part is that Stephanie said most of the bidding was by phone, so she has no idea who purchased these objects. That's when I said, worldwide. Those people were invisible. We have no idea who purchased them.

MR. BEATTIE:

Who was selling them? Who owned these artifacts to begin with?

MR. REINHEIMER:

This was the estate of Consuelo Vanderbilt, the daughter of William K. Vanderbilt, II. She passed away in 2011 at 107 years old. These are only – as Stephanie and I discussed – possibly contacting the estate because these are only the objects that the auction house felt had market value. There is a possibility if we can contact the executor of the estate to see if there are any Vanderbilt artifacts that they would be willing to either sell us or to give us.

Photo albums – we feel that photo albums don't have a wide market appeal and that she looked at the – she was able to preview them privately. She said they were awesome. If we can get a chance to get some of these things, it would be a great opportunity.

MR. BEATTIE:

Yes, let's try to – certainly if we can get the estate to even just loan them to us and not be accessioned items – but does anybody have any feelings in terms or do you have an idea of what kind of allowance we want to give Stephanie to add to the collections?

MR. REINHEIMER:

I was thinking \$5,000 for the photo albums.

MR. BEATTIE:

Okay, can we have a motion to authorize that?

MR. PETERMAN:

We don't have a quorum.

MR. BEATTIE:

That's right.

MS. CAMBRIA:

I was just thinking, do you want to make it that restrictive?

MR. PETERMAN:

I don't think we have a motion.

MS. CAMBRIA:

But even if we're discussing it –

MR. REINHEIMER:

I don't know legally if we have to have a resolution to allow our curator in her professional judgment – and Stephanie is a tremendous professional with over ten years experience in this museum – to allow her at her discretion to professionally determine whether something should be purchased on own behalf. She's aware of our money constraints.

MR. PETERMAN:

The only thing I would say since we're talking about money, I think we should have a quorum vote on that.

MR. BEATTIE:

But we don't have a quorum.

MR. PETERMAN:

I realize that. But when you're authorizing funds, I think we should have a legitimate vote.

MS. CAMBRIA:

But that's what the money is there for, isn't it, from the sale of the car?

MR. BEATTIE:

It's for the collections, yes.

MS. CAMBRIA:

So in theory it's a good idea.

MR. PETERMAN:

I totally support it, but I feel that we should, as a Board –

MR. BEATTIE:

Fiduciary responsibility for us –

MR. REIMHEIMER:

Is there a way that you could poll the Board?

MR. PETERMAN:

I don't know if our bylaws allow that. I don't know.

MS. GEGWICH:

But we don't want to miss the opportunity. We have to figure something out.

MR. PETERMAN:

Who can you call to get here?

MR. MULE:

There's money for collections. Doesn't that implicitly mean that this money is fully authorized by the Board in approving the budget and that portion thereof?

MR. BEATTIE:

I think you can probably make that case. I agree with Kevin, though, in terms of it shouldn't be a carte blanche kind of thing where the money is there – and, again, Lance is absolutely right. Stephanie knows what she's doing on this stuff and she should be trusted. But from a fiduciary perspective, I think we do. I think we might be having a quorum very soon.

What we can do is our bylaws, specifically, that the Executive Board can make decisions that are ratified by the Board at the next meeting. So let's do that.

MR. PETERMAN:

I would make that motion.

MR. BEATTIE:

Is there a second?

MR. DEMASI:

Second.

MR. BEATTIE:

Without objection? The Executive Board will get together – unless we want to just say it now that we authorize –

MR. PETERMAN:

I'm just having trouble voting for something when we don't have a quorum.

MR. BEATTIE:

That's right. I keep on having a disconnect there.

MS. GEGWICH:

When is the auction, Lance?

MR. REINHEIMER:

It's the 23rd of April, next week.

MR. BEATTIE:

That's okay. The Executive Board will take action on that. We don't want to lose that as part of the collection. We will ratify it with the Board at the next meeting.

MR. ARMSTRONG:

We don't want to lose that stuff. Once it's gone, it's gone.

MR. BEATTIE:

Very good. Anything else on the Executive Director's Report?

MR. REINHEIMER:

No, that's it. Thank you.

MR. BEATTIE:

The President's Report, the aforementioned letter to Gil Anderson, the Commissioner of Public Works, I will read that into the record, if you don't mind. This will be going out tomorrow. It's dated today.

"Dear Gil, on behalf of the Suffolk County Vanderbilt Museum Board of Trustees, I want to thank you and your department for the magnificent work you did on the renovation of the planetarium."

"Thank you, too, for the expert and timely restoration work on the roofs of the Hall of Fishes and the Stoll Wing. We are gratified that everyone involved took obvious pride in the transformation of the planetarium and its William and Molly Rogers Theater, as well as in the crucial work on improving the building's infrastructure and HVAC systems. The impressive results and attention to critical details exceeded our expectations."

"At the private opening celebration on March 14, our sponsors, donors and friends were amazed at the rebirth of the planetarium. We received rave reviews from many. When our guests watched one of our spectacular new shows they were astonished at the experience offered by the state-of-the-art planetarium technology and the immersive three-dimensionality of a dome theater. They said they felt as if they were actually in travel through space."

"We greatly appreciate that you, the Legislature and the County Executive have a keen understanding of the Planetarium's educational and entertainment value to Long Island and of its importance to the museum as a critical source of operating revenue. Thank you again for your central role in making the new Vanderbilt Planetarium a reality."

We are copying the County Executive, Steve Bellone, the Presiding Officer, Bill Lindsay, and I have copies for the Board Members that are here. I will pass them out.

MR. BEATTIE:

Okay, the President's Report, continuing on. The publishing contract is at the County Attorney. If it wasn't sent tonight, it will be sent tomorrow.

The catering contract – Lance showed it to me – that will be laid on the table on April 23.

The naming rights agreement has been sent to the committee – what is the name of that committee?

MR. REINHEIMER:

It's a long name, but I met with that committee. There were representatives from the County Executive's Office, Public Works, Planning, the Legislature, two Legislators were there, Legislator Stern and Legislator D'Amaro. They passed it unanimously out of committee and sent it on to the Legislature. The next step – this will also be laid on the table on the 23rd, which means it's being introduced to the Legislature.

It will go through the regular committee cycle, which means that that will be discussed in the Parks and Recreation Committee. I'm pretty sure the contract will be discussed in the Ways and Means Committee of the Legislature. Assuming that both of those come out of committee, they would be considered by the whole Legislature on May 7.

MR. BEATTIE:

The most important thing that we have questions about was to make sure that the Suffolk County Vanderbilt Museum would be receiving all the funds, and that it wouldn't be just going into the General Fund. That's in the resolution. I just saw it over here – it's the Suffolk County Review Committee for County Sitings of Memorials and Symbols and Naming of County Facilities, County Parks and Roads. It's amazing that I couldn't remember that.

There was another question that came to me at an event last night, and maybe Lance can talk to it a little bit. There's something that's actually in our collection but it's on loan that we're going to accession, depression glass.

MR. REINHEIMER:

There's a group that owns the depression glass that's on display in our plating kitchen in the mansion. If you look in the cupboards as you go into the kitchen, as you're going in on the right hand side, those cupboards are filled with depression glass. That's been on loan to us for I think well over ten years.

That group is disbanding. They notified Stephanie that they were giving us the depression glass.

MR. BEATTIE:

That's it. Does anybody have an old business to discuss? Any new business to discuss?

MS. GEGWICH:

In developing the website further, I was wondering if anyone had any thoughts on upping the Board of Trustees' page where we all have our picture and a little bio or something about why we love the Vanderbilt or something where we're all kind of represented on there so when people do see us around the grounds, that we're more familiar than just our names.

MR. BEATTIE:

Sure, I think that's a good idea.

MS. GEGWICH:

So is that something I can do, Lance, and then I'll forward it to you? Maybe I'll ask all the members to send me something that they want to have. Maybe we'll pick a meeting, we will all come here fancy and take pictures and then we'll put them on the website? I don't want to put more on your plate, Lance, but if I could take it on and then forward it to you –

MR. REINHEIMER:

Yes, I think each person would have to present their own short bio. Whether you do pictures here as a group or individually or you submit pictures – once we have this information, it's easy to put it on the web. It's not a lot of work for us. It's work for you to provide the information. I think, like everything, it's good to put that up in mass rather than piecemeal.

I think the hard part is to get 14 or 15 individuals to provide the information and the pictures, so that we can put that up. We can always say camera shy.

MR. BEATTIE:

The pictures, I think, they should be consistent. Maybe at the next Board Meeting, we'll let everybody know about this. Do you think Pat would be able to make the next Board Meeting and we can get here a little bit early?

MR. REINHEIMER:

Sure, we'll have somebody take pictures.

MR. GEGWICH:

I have a good camera, also. It's something we can do here. It's easy enough.

I have one other question.

MR. BEATTIE:

Okay.

MR. GEGWICH:

Any thoughts on moving the meetings to seven-thirty instead of seven? Or is seven-thirty too late for people? Are you guys here all day?

MR. REINHEIMER:

Yes, we're here all day.

MS. GEGWICH:

Okay, so we'll keep it at seven.

MR. BEATTIE:

Normally it's okay. I'm a little surprised at the attendance today because nobody – and that's the one thing I will in my communication to the Board the next time around – I haven't been asking for an RSVP kind of thing, but maybe I should. The people who did come here tonight -- and we're not able to actually transact business. I hate to see people getting here and not being able to get something done; it's a little troublesome to me.

If nobody has any other questions, I'll adjourn the meeting.

MS. CAMBRIA:

We need to talk about the next meeting.

MR. BEATTIE:

It's always the third Wednesday of the month.

MR. PETERMAN:

That would be May 15.

MS. CAMBRIA:

Then if you're going to take pictures, you really have to stress that we need to get here –

MS. GEGWICH:

I think what I'll do, Betsy, is first stress the bio because like Lance said, we can always say camera shy, but if we can post everyone's bios at the same time and then post the pictures as they come in – what's the matter?

MR. PETERMAN:

Nothing, I just have a suggestion that we have some limit on the bio.

MS. GEGWICH:

Yes, a short paragraph.

MR. PETERMAN:

The reason – normally, you say so many words.

MR. BEATTIE:

Yes, 25 or 30 words.

MR. PETERMAN:

Right, Jack?

MR. DEMASI:

Yes, absolutely.

MR. PETERMAN:

Yes, I'm worried more about the ego and lack thereof.

MR. DEMASI:

One sentence for me, that's it.

MS. GEGWICH:

Maybe it's something, too, that we put something short up and then if we ever want to highlight a Board Member, we can do that. We can give a more lengthy bio. I just think it would be nice for us to have our names and our pictures up there so people know a little bit about us. I also like that we are pretty representative of the area, and I'd like people to know that there are some people that come from further because they love the museum and some of us live near here. I think it's nice for them to see what we're doing here.

MR. PETERMAN:

I don't have a problem with any of that. I just want to be consistent, that's all.

MS. GEGWICH:

Sounds good.

MR. BEATTIE:

So what are we thinking for the number of words, 50? Is that too many?

MR. PETERMAN:

That's not many.

MS. GEGWICH:

Well, maybe I'll give a couple of questions and then we'll keep it to short responses.

MR. BEATTIE:

Okay, and the other thing is when we're doing it, just like the camera shy, if someone doesn't supply their bio, then their name is there without a bio. It's up to them to provide that information.

MR. REINHEIMER:

This is good because of the grant for National Grid. They wanted to know who is on our Board. I have some bio information on – I had gone out and asked you to provide some of that as a Board. National Grid wants to know who is on the Board. They want to know who is governing. Having it on the web is good in terms of your professional career and where you come from in Suffolk County. Just general information like that, I think, is very helpful. I think it's a great idea. Having a picture adds interest to it. It's good.

MR. ARMSTRONG:

How about just basically giving us an outline of what that bio would be, if you could, just a short outline –

MS. GEGWICH:

Sure, no problem.

MR. BEATTIE:

Very good. Any other comments? We will adjourn the meeting. Thank you all for coming.

(Mr. Ron Beattie adjourned the meeting at 7:55 p.m.)

RB:ap

Attachments

Suffolk County Vanderbilt Museum

April 2013 Meeting Agenda

April 17th, 2013 / Planetarium / 7:00 PM

- I. Pledge of Allegiance**
- II. Public Address to the Board**
- III. Previous Meeting Minutes**
- IV. Committee Reports**
 - A. Finance / Treasurer Report**
 - B. Education & Exhibit**
 - C. Development**
 - D. Planning**
 - E. Community Relations Committee**
 - F. Operations**
 - 1. Buildings and Grounds**
 - 2. Technology**
 - 3. Human Resources**
- V. Executive Director Report**
- VI. President's Report**
- VII. Old Business**
- VIII. New Business**
- IX. Adjournment**

Total Revenue Report

Start date: 3/15/2013 End date: 4/15/2013

User: All users Source: All sources

Include taxes: No Include security deposits: No

Include revenue that has been committed but not received: No

Note: This report does not include group sales refunds. You can view information about group sales refunds and revenue from the [Group Sales Revenue report](#).

Admission tickets

Category	Count	Revenue
Grounds	4691	\$76,902.00
Mansion Tour (45 min)	1965	\$32,207.71
Observatory	271	\$3,453.59
Planetarium Daytime	6	\$0.00
Planetarium Evening	1801	\$27,613.70
Weekend Planetarium Evening	648	\$12,627.00

Group sales

Category	Count	Revenue
Group sales	17	\$5,247.50
Animal Homes and Habitats	1	\$440.00
Earth, Moon, and Sun	5	\$2,849.00
Egyptian Mummies: Art, History, Science and Mystery	2	\$760.00
Planetarium Daytime	3	\$372.00
Science Safari	1	\$175.00
Solar System Odyssey	2	\$222.00
The Gold Coast	1	\$132.00
The World of Mr. Vanderbilt	1	\$90.00
Weekend Planetarium Evening	1	\$207.50

Memberships

Category	Count	Revenue
Memberships	36	\$7,325.00
General Membership - Associate (1 year)	4	\$455.00
General Membership - Dual (1 year)	1	\$70.00

Total Revenue Report

General Membership - Family (1 year)	17	\$1,615.00
General Membership - Individual (1 year)	1	\$60.00
General Membership - Senior (1 year)	3	\$125.00
Library - Check Us Out - Library (1 year)	10	\$5,000.00

Donations

Total Contributions \	38	\$15,672.25
General Operating	27	\$472.25
Total Contributions \	6	\$200.00
General Operating \		
Brick Campaign		
Total Contributions \	4	\$2,000.00
General Operating \		
Sponsor a Chair Campaign		
Total Contributions \	1	\$13,000.00
Restricted \		
Traveling Classroom		

Merchandise

Gift Certificate	3	\$205.00
------------------	---	----------

Facilities

Classroom	14	\$3,075.00
Classroom	1	\$250.00
Group Mansion Tours	1	\$50.00
Indoor/Courtyard/Gardens	3	\$975.00
Lancaster Room	1	\$250.00
Mansion	1	\$70.00
Planetarium	4	\$775.00
Planetarium Rear Classroom	2	\$585.00
theater	1	\$120.00

Total revenue

\$107,426.75

SUFFOLK COUNTY LEGISLATURE



Robert Lipp

BUDGET REVIEW OFFICE

Acting Director

April 1, 2013

To: William J. Lindsay, Presiding Officer
and All Suffolk County Legislators

From: Robert Lipp, Acting Director
Budget Review Office

Subject: Vanderbilt Museum Endowment Trust Fund Annual Report

Please find attached the Budget Review Office's annual report to the Legislature on the status of the Vanderbilt Museum Endowment Trust Fund for the period January 1, 2012 through December 31, 2012.

My staff and I are available should you have any questions regarding this report.

* * *

Attachment

cc: Angie Carpenter, Suffolk County Treasurer
Joseph Sawicki, Suffolk County Comptroller
Fred Pollert, Deputy County Executive, Financial Affairs
Connie Corso, Budget Director
Dennis M. Cohen, Suffolk County Attorney
Terrence Pearsall, Legislature Chief of Staff
Lance Reinheimer, Interim Director, Vanderbilt Museum
Stephen Faber, Managing Director, PFM Asset Management LLC
John S. Spagnola, Managing Director, PFM Asset Management LLC
Tyler Braun, PFM Advisor, PFM Asset Management LLC
Mary Ann Baumann, Account Manager, U.S. Bank National Association

**VANDERBILT MUSEUM ENDOWMENT TRUST FUND
ANNUAL REPORT
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**



April 1, 2013

**Robert Lipp, Acting Director
Budget Review Office
Suffolk County Legislature
Hauppauge, New York**

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Executive Summary

The Budget Review Office is required to report annually to the Legislature on the status of the Suffolk County Vanderbilt Museum Endowment Trust Fund (Fund). This report is for the period January 1, 2012 through December 31, 2012. The following highlights the major findings in this report.

- During 2012, the market value of the Fund increased by \$675,935 from \$9,310,582 to \$9,986,517, which is net payment of \$40,437 in investment management fees and a \$485,000 distribution to the Museum.
- The Fund's 2012 total annual return, net of fees and distributions, was 13.25%. In comparison, the industry blended benchmark is 10.11%.
- The Fund's gross income from dividends and interest for 2012 was \$344,780.
- PFM Asset Management LLC does not invest in individual company's stocks, only equity mutual funds to provide a diverse equity portfolio with minimal risk exposure. The year-ending market value of the portfolio's equity mutual funds was \$4,787,805 representing 47.9% of the Fund's total market value.
- The year-ending market value of the portfolio's bond mutual funds was \$4,973,219 representing 49.8% of the Fund's total market value
- The December 31, 2012 market value for the cash equivalents portion of the Fund was \$225,492 representing 2.3% of the Fund's year-ending asset allocation.
- Based upon its investments as of the end of 2012, the Fund's estimated annual income for 2013 is \$324,339.
- The Fund's year-ending asset allocation is in compliance with Resolution No. 1266-2007, which modified the investment guidelines to allow a 50/50 split between fixed securities and equities to range between 5-10% of the 50/50 split, as determined by market conditions.
- During 2012, \$485,000 was disbursed to the Museum from the Fund to assist the Museum in meeting its operating cash flow needs.
- The Museum received \$726,499 or 10% of the revenue collected from the Hotel Motel Tax (County Fund 192) for 2012. The proceeds from the Hotel Motel Tax reduce the Museum's reliance on the Endowment and afford it the opportunity to grow and provide for the Museum's future needs.

- In 2012, the Fund incurred a total of \$40,437 in advisory fees which were paid to PFM Asset Management LLC (PFM) for investment advisory services and to U.S. Bank National Association (U.S. Bank) that acted as custodian of the Fund.
- Procedural Motion No. 7-2013 was laid on the table on March 19, 2013, which provides for the Legislature authorizing the Presiding Officer to exercise the County's option to extend its agreement with PFM for an additional one year period.

Performance and Asset Allocation

The 2012 year-ending market value of the Fund was \$9,986,517, which includes a total distribution of \$485,000 to the Suffolk County Vanderbilt Museum and \$40,437 in fees. The following table summarizes the Fund's \$675,935 net increase in market value.

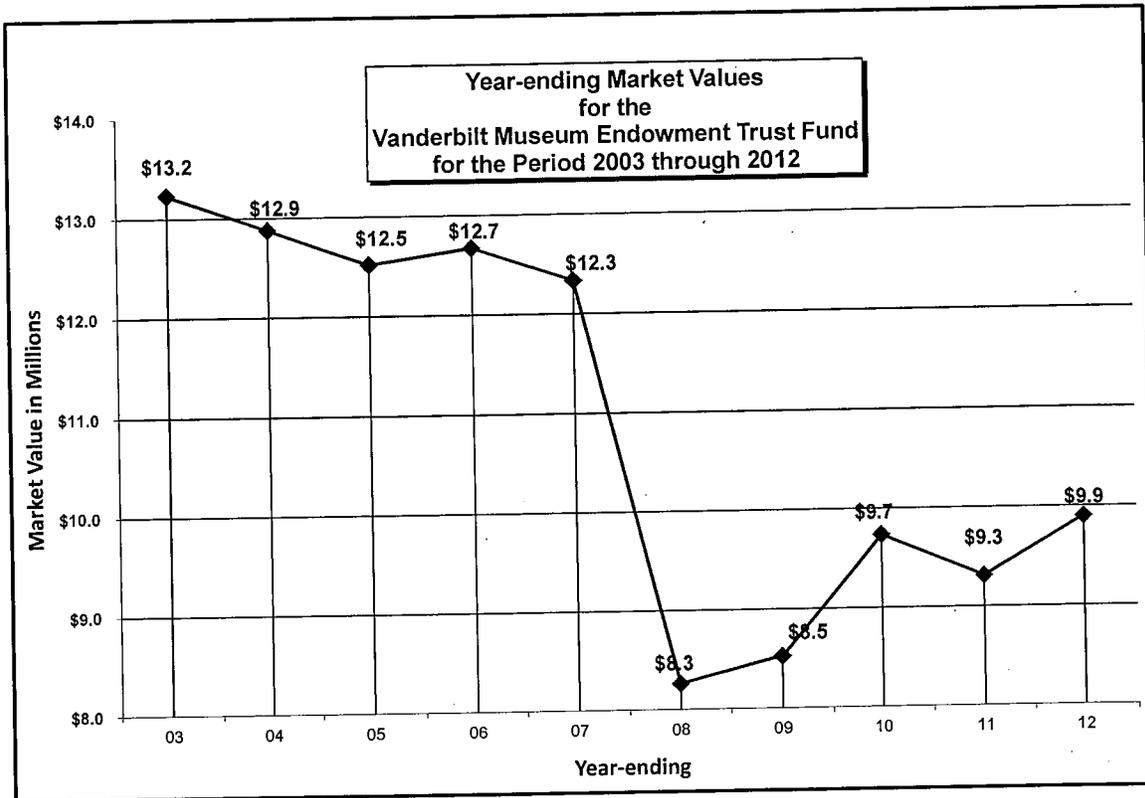
2012 Endowment Trust Fund Summary		
Beginning Market Value		
Market Value December 31, 2011	\$	9,310,582
Investment Activity		
plus Total Investment Activity	\$	1,541,924.00
Plan Expenses		
less Total Plan Expenses (Fees)	\$	(40,437.00)
Other Activity		
less Total Other Activity (Transfers & Disbursements)	\$	(825,552.00)
Ending Market Value		
Market Value December 31, 2012	\$	9,986,517
2012 Net Increase in Market Value		\$675,935

The following table details the 2012 month-ending total assets for the Fund.

2012 Month-ending Total Assets

Month	Total Assets
January	\$9,583,908
February	\$9,755,044
March	\$9,764,225
April	\$9,714,139
May	\$9,287,457
June	\$9,465,633
July	\$9,552,580
August	\$9,630,604
September	\$9,814,054
October	\$9,792,867
November	\$9,866,851
December	\$9,986,517

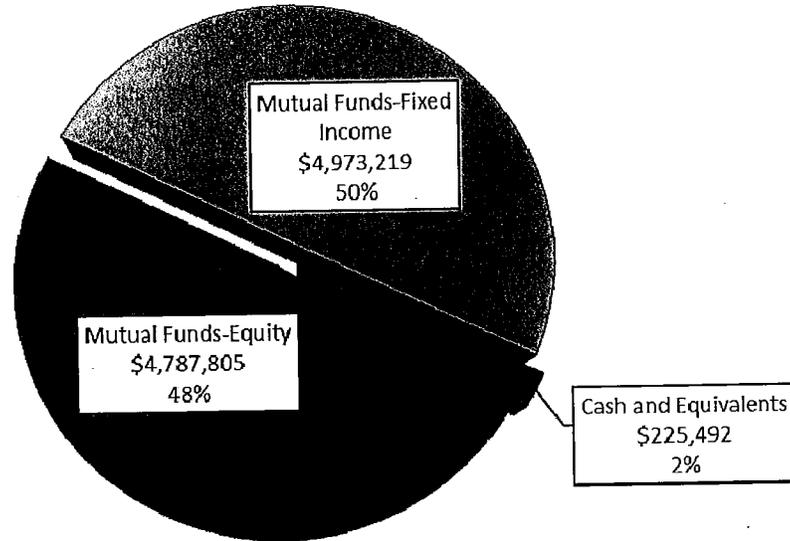
The following graph plots the Fund's year-end market values during the period 2003-2012.



The Fund has grown since the 2008-2009 financial market crisis with the exception of its 2011 year-end market value which was \$425,425 less than its year-end market value in 2010. Last year's growth is encouraging given the Museum's continued dependence on the Fund for its operations.

The Fund's 2012 year-ending asset allocation is indicated in the pie chart that follows.

2012 Year-end Asset Allocation



The Fund's year-end asset allocation of 49.8% bond mutual funds, 47.9% equity mutual funds and 2.3% cash and cash equivalents is in compliance with Resolution No. 1266-2007, which modified the investment guidelines to allow a 50/50 split between fixed securities (bonds) and equities (stocks) to range between 5-10% of the 50/50 split, as determined by market conditions.

The following two tables provided by PFM Asset Management LLC (PFM), the Fund's investment advisor, summarize the Fund's asset allocation and performance as of December 31, 2012. The Fund's 2012 total annual return was 13.25%, which compares favorably to the industry blended benchmark of 10.11%.

Asset Allocation & Performance
Vanderbilt Museum Endowment - Combined Assets
As of December 31, 2012

	Allocation Market Value (\$)	%	Performance (%)					Inception Date		
			1 Quarter	2012 Year	1 Year	2 Years	3 Years		5 Years	Since Inception
TOTAL FUND										
<i>Blended Benchmark</i>	9,986,517	100.00	1.87	13.25	13.25	3.61	N/A	N/A	3.30	02/01/2011
			1.07	10.11	10.11	5.92	N/A	N/A	5.67	02/01/2011
Domestic Equity										
Vanguard Total Stock Market Index	2,063,839	20.67	0.18	16.38	16.38	8.46	11.32	2.29	3.72	5/1/2012
Russell 3000 Index			0.25	16.42	16.42	8.45	11.20	2.04	3.82	5/1/2012
Vanguard Dividend Growth	534,657	5.35	-0.40	10.39	10.39	9.90	10.41	4.05	10.39	1/1/2012
S&P 500			-0.38	16.00	16.00	8.84	10.87	1.66	16.00	1/1/2012
Neuberger Berman Genesis	172,968	1.73	2.30	10.10	10.10	7.46	12.01	3.67	3.68	7/1/2011
Russell 2500 Index			3.10	17.88	17.88	7.20	13.34	4.34	4.19	7/1/2011
Janus Triton	174,340	1.75	4.56	16.58	16.58	9.43	16.34	7.03	5.72	7/1/2011
Russell 2500 Growth Index			1.78	16.13	16.13	6.91	13.78	4.07	2.44	7/1/2011
FMI Common Stock	172,286	1.73	4.27	10.16	10.16	7.31	12.05	8.43	16.60	9/1/2010
Russell 2000 Index			1.85	16.35	16.35	5.59	12.25	3.56	17.53	9/1/2010
International Equity										
Vanguard Total International Stock	997,212	9.99	6.66	18.14	18.14	0.47	3.90	-3.03	7.45	5/1/2012
MSCI AC World ex USA (Net)			5.85	16.83	16.83	0.41	3.87	-2.89	6.72	5/1/2012
Oppenheimer Developing Markets	438,559	4.39	4.49	20.85	20.85	-0.51	7.92	3.49	1.94	11/1/2010
MSCI EM (net)			5.58	18.23	18.23	-1.79	4.66	-0.91	0.28	11/1/2010
Real Estate										
Vanguard REIT Index-Sgl	233,943	2.34	2.49	17.69	17.69	13.06	17.99	6.07	3.31	5/1/2012
FTSE NAREIT Equity REIT Index			2.58	18.06	18.06	13.07	17.82	5.45	3.58	5/1/2012

Asset Allocation & Performance
Vanderbilt Museum Endowment - Combined Assets
As of December 31, 2012

	Allocation		Performance (%)					Inception Date	
	Market Value (\$)	%	1 Quarter	1 2012	1 Year	2 Years	3 Years		5 Years
Inflation Hedge									
PIMCO Commodity Real Return	230,826	2.31	-5.78	5.31	5.31	-1.33	6.51	-0.85	8.90
DJ-UBS Commodity TR Index			-6.33	-1.06	-1.06	-7.39	0.07	-5.17	2.74
Fixed Income									
PIMCO Total Return	1,721,875	17.24	1.16	10.35	10.35	7.21	7.76	8.36	6.08
Metropolitan West Total Return	1,762,278	17.65	1.46	11.55	11.55	8.49	9.54	8.76	7.49
Barclays Aggregate			0.21	4.21	4.21	6.01	6.19	5.95	4.59
Vanguard Total Bond Market Index	17,522	0.18	0.13	4.15	4.15	5.90	6.12	5.91	2.70
Barclays Aggregate			0.21	4.21	4.21	6.01	6.19	5.95	2.76
Vanguard Intermediate-Term Investment Grade	401,768	4.02	0.90	9.14	9.14	8.33	9.03	7.45	5.31
Barclays U.S. Credit: 5-10 Yr			1.39	11.26	11.26	9.73	10.00	8.58	6.46
AllianceBernstein High Income	413,072	4.14	3.89	18.54	18.54	9.99	12.22	10.92	10.20
BoFA Merrill Lynch Global HY Constrained (USD)			4.57	19.30	19.30	10.64	11.67	10.38	10.32
TCW Emerging Markets Income	425,878	4.26	5.48	22.54	22.54	11.77	14.85	13.90	12.21
JPM EMBI Global Diversified			2.81	17.44	17.44	12.28	12.27	10.08	10.85
First American Government Obligation	225,492	2.26	0.00	0.01	0.01	0.01	0.01	0.52	0.01

Equities

PFM does not invest in individual company's' stocks, only equity mutual funds to provide a diverse equity portfolio with minimal risk exposure in any one company. The December 2012 month-ending market value of the Fund's equity mutual funds totaled \$4,787,805, representing 47.9% of the Fund's total market value. As detailed in the tables from PFM, the portfolio's equity mutual funds include \$3,118,090 in domestic equities, \$1,435,771 in international equities and \$233,943 in real estate. In general, the Fund's domestic equity investments and real estate investments underperformed the benchmarks while the international equity investments outperformed the benchmarks.

Bonds

The year-ending market value of the portfolio's bond mutual funds was \$4,973,219 representing 49.8% of the Fund's total market value. Resolution No. 387-2011 restricts bond investments to bonds Ba and above, while maintaining an overall average quality rating for the bond investments of AA or above and directs the Fund's investment manager to make every effort to the extent practical, prudent and appropriate, to select commingled funds and/or mutual funds that have investment objectives and policies that are consistent with the Fund's investment management objectives and policies. This legislation structures the Fund's bond portfolio to provide income that is consistent with a reasonable level of risk. The majority of fixed income investments within the Fund outperformed the benchmarks.

Inflation Hedge

The Fund includes an investment component serving as the Inflation Hedge, which is an investment option with intrinsic value such as oil, natural gas, gold, farmland, and commercial real estate. As of December 31, 2012, the inflation hedged component of the portfolio had \$230,826 or 2.31% of the Fund's year-ending asset allocation invested in PIMCO Commodity Real Return, which compared favorably to the DJ-UBS Commodity TR Index. U.S. Bank considers the Inflation Hedge within the fixed income asset allocation (bonds) whereas PFM considers it within the equity asset allocation.

Cash & Cash Equivalents

Cash equivalents are short-term investments and money market fund investments that are readily converted to cash and provide additional income. The Fund is invested in First American Government Obligation, which has an investment strategy that seeks to provide maximum current income and daily liquidity by purchasing high-quality U.S. government securities and repurchase agreements collateralized at more than 100%. The December 31, 2012 market value for the cash equivalents portion of the Fund was \$225,492 representing 2.26% of the Fund's year-ending asset allocation. The total return for the cash and cash equivalents component of the Fund's portfolio was 0.01%.

Capital Gains/Losses

The Fund's 2012 year-ending market value included \$218,287 in realized capital gains and \$675,360 in unrealized capital gains. In 1993, the Legislature authorized the use of capital gains to pay for one half of the investment management fees via Resolution No. 682-1993 and in 1994 the Legislature authorized using realized capital gains to augment distributions to the Museum and to provide a guaranteed annual income with the adoption of Resolution No. 933-1994.

Remittances to the Museum

During 2012, \$485,000 was disbursed to the Museum from the Fund to assist the Museum in meeting its operating cash flow needs.

The Museum began receiving revenue from the Hotel Motel Tax in May 2010 and for 2012, the Museum received 10% or \$726,499 of the revenue collected from the Hotel Motel Tax (County Fund 192). The proceeds from the Hotel Motel Tax reduce the Museum's reliance on the Endowment and afford it the opportunity to grow and provide for the Museum's future needs.

It should be noted that the Hotel Motel Tax was reauthorized and extended, per Resolution No. 805-2009, to December 31, 2015. Once the Hotel Motel Tax revenue sunsets, it is unknown if the allocation formula for the distribution of Hotel Motel Tax revenue will continue to include the Vanderbilt Museum.

Investment Management

Investment Objectives

The Fund's investment objectives are to preserve the principal corpus of the Fund (\$8.2 million), maintain a high level of income that is steady and predictable and provide for future growth of income through long-term capital growth.

Investment Policies

The Fund's investment policies are as indicated by the resolutions that follow.

- Resolution No. 1266-2007
 - Modified the investment guidelines to allow a 50/50 split between fixed securities (bonds) and equities (stocks) to range between 5-10% of the 50/50 split, as determined by market conditions.
 - This investment policy is to remain in effect until modified by duly enacted resolution of the Suffolk County Legislature.

- Resolution No. 387-2011
 - Adopted an investment management policy that restricts bond investments to bonds Ba and above, while maintaining an overall average quality rating for the bond investments of AA or above and directs the Fund's investment manager to make every effort to the extent practical, prudent and appropriate, to select commingled funds and/or mutual funds that have investment objectives and policies that are consistent with the Fund's investment management objectives and policies.
 - Given the nature of commingled funds and mutual funds, it is recognized that there may be deviations between the Fund's investment management policy and the objectives of the Fund's pooled vehicles. Further, a pooled fund or mutual fund will not be included in the Fund's portfolio unless it complies with the Investment Company Act of 1940, as amended through P.L. 111-257, diversification requirement.
 - Authorized the Vanderbilt Museum Trust Fund's investment manager to utilize a total return concept, meaning investing for a comprehensive return, including interest and dividends earned on stocks and bonds, plus realized and unrealized gains and losses.
 - The investment guidelines stipulated in Resolution No. 387-2011 shall remain in effect until modified by duly enacted resolution of the Suffolk County Legislature.

Investment Management Contract

As per Procedural Motion 5-2010, PFM Asset Management LLC was retained to serve as the Fund's investment advisor and U.S. Bank National Association as the custodian of the Fund independent of the Fund's investment manager.

The Agreement with PFM is for a term of three years, with the option to renew the Agreement for two additional one-year periods. The Agreement with PFM was duly executed on April 21, 2010.

Procedural Motion No. 7-2013 was laid on the table on March 19, 2013, which provides for the Legislature authorizing the Presiding Officer to exercise the County's option to extend its agreement with PFM for an additional one year period.

The Custody Agreement with U.S. Bank was executed in July 2010 and remains in effect until terminated by either U.S. Bank or the Legislature giving written notice thirty days in advance of the termination date.

Advisory Fees

Resolution No. 682-1993 authorizes the use of capital gains to pay 50% of the investment management fees; therefore 50% of the fees are paid from the principal account and 50% are paid from the income account. In 2012, a total of \$40,437 was incurred in advisory fees to PFM Asset Management LLC (PFM) and U.S. Bank National Association (U.S. Bank).

For all services provided by the Fund’s investment advisor, PFM Asset Management LLC, the Fund incurred an annual fee based on net assets under the management of the Fund determined on a monthly basis as defined in the investment advisory fee schedule set forth below:

PFM Asset Management LLC Investment Advisory Fee Schedule

First \$5 million in net assets	0.40%
Next \$5 million in net assets	0.35%
Next \$10 million in net assets	0.30%
Thereafter	0.20%

The Fund also incurred fees for services rendered by U.S. Bank, the custodian of the Fund, in accordance with the fee schedule that follows.

**U.S. Bank Custody Fee Schedule
for PFM Asset Management LLC Managed and Advised Accounts Program**

Domestic Administrative Fee	
First \$100 Million Market Value	2.5 basis points annually
Remaining Market Value	1.5 basis points annually
Portfolio Transaction Fees	
Book Entry Transactions - DTC or Fed	\$7.50
Physical Transactions	\$7.50
Wire Transactions	\$7.50
Benefit Payment Transaction Fees (if applicable)	
Checks - Recurring Distributions	\$2.50
Wires	\$10.00
ACH (with advice)	\$2.00
ACH (without advice)	\$1.50
Lump Sum Distributions	\$15.00
Other	
TrustNow or TrustNow Essentials (on-line)	\$0.00
TrustNow Customized (separately bid)	\$0.00
Performance Measurement (optional)	\$250.00
Out-of-Pocket Expenses	
The only out-of-pocket expenses charged to your account will be shipping fees or transfer fees.	

Appendix A

Historical Information

William Kissam Vanderbilt II (1878-1944) referred to his 43-acre summer estate in Centerport, which overlooks the Northport Harbor and the Long Island Sound, as the "Eagle's Nest". Mr. Vanderbilt traveled extensively throughout the world collecting artifacts to develop his own personal museum at Eagle's Nest. In Mr. Vanderbilt's last will and testament, he recognized the potential for his vast estate to become a museum "for the use, education and enjoyment of the general public". Mr. Vanderbilt died January 8, 1944 of a heart attack and his wife whom he married in Paris in September of 1927, Rosamund Lancaster Vanderbilt, died three years later on August, 28th, 1947 at "Eagle's Nest". She was the last Vanderbilt to live there.

In his last will and testament, Mr. Vanderbilt bequeathed his estate in Centerport, together with its real property, furnishings, exhibits, and works of art, artifacts, memorabilia and certain moneys either to the State of New York, County of Suffolk or Town of Huntington. By resolution duly adopted on the 30th day of August, 1948, the Board of Supervisors acting for Suffolk County accepted the offer. Suffolk County accepted the generous bequest in accordance with the terms of the agreement (deed) dated August 3, 1949. Mr. Vanderbilt's desire, as indicated in his last will and testament, was for his estate to become a public park and museum and as such be devoted in perpetuity to the use, education and enjoyment of the public subject only to such reasonable regulations and restrictions, and such requirements with a view to maintenance and upkeep, including a reasonable charge for admittance if deemed advisable, as shall conserve the property and enhance its usefulness as a park and museum.

The estate was opened as a public museum in 1950. The Museum includes a Spanish revival style mansion with a Memorial Wing constructed in 1936 to commemorate Mr. Vanderbilt's only son who died in 1933 from an automobile accident in South Carolina, a planetarium, outbuildings as well as landscaped grounds.

The Vanderbilt planetarium was erected in 1971 for less than one million dollars on the site of the former Vanderbilt family tennis courts and was paid for from the Endowment Trust Fund. The planetarium is a 60-foot diameter domed sky theatre. The Planetarium and its observatory were closed in August 2011 for extensive renovations and a complete technological update to make it one of the finest and best-equipped planetariums in the United States. The planetarium reopened on March 15, 2013. Improvements included the installation of a state-of-the-art, Konica Minolta GeminiStar III star projector with full-dome, 3-D video, laser-show and surround-sound systems, new seats, carpeting, and a digital ticketing and reservation system.

In November of 1986, Local Law No. 35-1986, designated and renamed the museum "Suffolk County Vanderbilt Museum". The Suffolk County Vanderbilt Museum Commission evolved from the former Suffolk County Park Commission, which was established by resolution of the Board of Supervisors on June 27, 1949, and enlarged by resolution of the Board of Supervisors on December 28, 1959. The Commission is responsible for the management and control of the Suffolk County Vanderbilt Museum, pursuant to Local Law No. 1-1966. The Board of Trustees¹ of the Suffolk County Vanderbilt Museum Commission has the sole power and control over the development, maintenance and operation of the Suffolk County Vanderbilt Museum and Planetarium and to conduct its programs and activities, subject only to the contractual conditions under which the County accepted the Vanderbilt bequest. The Board of Trustees is the appointing body with respect to all personnel engaged in the maintenance and operation of the programs and activities of the museum and planetarium, including the Director. The employees of the Museum are not employees of Suffolk County, but are employees of a privately endowed institution. The Suffolk County Legislature appoints fifteen members to the Commission for four-year terms of office to govern the Vanderbilt Museum.

The Legislature has the sole power and control over Museum property and the distribution of Trust Funds for its operation, care and perpetuation, subject only to the contractual conditions under which the County accepted the Vanderbilt bequest. Mr. Vanderbilt's bequest included \$2 million to establish an endowment fund for the maintenance and care of the estate. In 1973, the Fund had an additional bequest of \$6.2 million from the estate of Muriel Vanderbilt Adams, William K. Vanderbilt's daughter, raising the corpus of the Fund to \$8.2 million. Distributions from the Fund partially defray the Museum's maintenance and operating expenses. One of the Fund's investment objectives is to preserve the principal corpus of the Fund (\$8.2 million). Thus far, the Fund has met this investment objective and has not been considered an "underwater endowment" or a fund whose current market value has declined below its historical dollar value².

Resolution No. 933-1994 was adopted for the purpose of permitting the Vanderbilt Museum Trust Fund's Investment Advisor to utilize a total return concept³, to provide a fixed annual income of \$1,000,000, as requested by the Suffolk County Vanderbilt Museum, and authorized the use of realized capital

¹ On July 15, 1949, the Board of Regents of The University of the State of New York granted a charter pursuant to Section 216 of the Education Law of the State of New York to the Vanderbilt Museum. Therefore, the Board of Trustees of the Vanderbilt Museum is an institution incorporated by the Board of Regents of The University of the State of New York.

² "Historic dollar value" means the aggregate fair value in dollars of an endowment fund at the time it became an endowment fund. It also includes each subsequent donation to the fund at the time it is made.

³ Total Return Concept meaning investing for a comprehensive return, including interest and dividends earned on stocks and bonds, plus realized and unrealized gains and losses.

gains in the Trust Fund for cash flow purposes only, with any unused funds from said realized gains to be returned to the Trust Fund for reinvestment. The authorization was increased to \$1.2 million by the adoption of Resolution No. 656-2000, and subsequently extended by Resolution Nos. 196-2002, 1251-2002, 1177-2003, 1372-2004, 1306-2005, 1477-2006, and 1266-2007. The Legislature did not extend this authorization for 2009, as the market value of the Fund could not support a \$1.2 million distribution. During 2009, Procedural Motion No. 3-2009 authorized the remittance of \$45,500 to the Museum from the Endowment Fund. To support the Museum in meeting its 2009 operating budget expenses and to enable the Museum to continue to operate as an educational resource for the residents of Suffolk County as well as a tourist attraction for visitors, Resolution No. 870-2008 authorized the transfer of up to \$800,000 from the General Fund during 2009 not to exceed \$100,000 per month based upon monthly cash flow needs analysis prepared by the Vanderbilt Museum no later than the 15th of the previous month. Historically, the Museum's operating budget has not received funds from County real property taxes, with the exception of the Museum's 2009 operating budget. On December 31, 2009, the one-year commitment to provide the Museum revenue from the General Fund sunset. The Museum received \$705,094 or \$94,906 less than authorized from the County's General Fund during 2009. The County's General Fund has assumed all debt service for the Museum's capital projects.

Resolution No. 805-2009, adopted Local Law 34-2009, A Local Law to reauthorize the Hotel Motel Tax. The Hotel Motel Tax was reauthorized and extended to December 31, 2015 and the tax on the per-diem rental rate (exclusive of sales tax) imposed for each hotel or motel room was increased from 0.75% to 3%. Additionally, the allocation formula was amended. The amended allocation formula commenced on December 1, 2009 and included a new 10% allocation for the Vanderbilt Museum, which the Legislature has the option of decreasing by one percent each fiscal year beginning in 2011 with a corresponding one percent increase in the allocation to cultural programs. During 2010, the Museum received \$692,498 from the Hotel Motel Tax. In 2011, the Museum received \$705,096 from the Hotel Motel Tax and for 2012 it received \$726,499. The Adopted 2013 Operating Budget includes \$930,140 in Fund 192 for the Museum.

Subsequent to Bessemer Trust, Fleet Investment Services (Fleet) entered into a contractual agreement in 1996 with the Suffolk County Legislature to provide investment management services for the Vanderbilt Museum Endowment Trust Fund. The two year agreement included two options to renew for a period of two years for each renewal. In 2004, Fleet Investment Services was selected through an RFP. In September of 2004, Fleet merged with Bank of America. The contract agreement with Bank of America expired at the end of 2008. Subsequently, a Request for Expressions of Interest (RFEI) for Investment Management Services for the Suffolk County Vanderbilt Museum Endowment Trust was issued. The RFEI proposals were reviewed and the County then

issued a Request for Proposal (RFP) to the seven companies that were chosen to participate in the next phase of the selection process. The RFP evaluation committee chose PFM Advisors and an award letter was sent on January 12, 2010. On March 23, 2010, Procedural Motion 5-2010 was adopted to retain PFM Asset Management LLC to serve as the investment advisor for the Suffolk County Vanderbilt Museum's Maintenance Fund and U.S. Bank National Association as the custodian of the Maintenance Fund. Procedural Motion No. 7-2013 was laid on the table on March 19, 2013, which provides for the Legislature authorizing the Presiding Officer to exercise the County's option to extend its agreement with PFM for an additional one year period.

Resolution No. 1036-2008 created a Vanderbilt Museum Oversight Committee to work with, and act as a liaison to, the Vanderbilt Museum Board of Trustees and the Museum's administrators to analyze new ideas to increase revenues and cut costs and to ensure that new policies are implemented in a timely fashion so the County of Suffolk may avoid an unenviable choice between closing the Museum or making another large cash transfer to the Museum in 2010. Resolution No. 110-2011 reauthorized and reconstituted the Vanderbilt Museum Oversight Committee to work with the Vanderbilt Museum Board of Trustees and its administrators, for the purpose of ensuring the Museum's long-term financial viability. The Oversight Committee is to study the Museum's fiscal management and procurement practices and make recommendations to improve these processes, assist the Museum in bringing to fruition longstanding proposals to generate new revenues, report on the physical condition of the Museum and recommend safety improvement priorities to the Legislature, send a representative to each meeting of the Vanderbilt Museum's Board of Trustees, and send a representative to the County Legislature's Parks and Recreation Committee on a regular basis to report on its activities and will further report to the full Legislature on a regular basis.

In March of 2009 a Memorandum of Understanding (MOU) was signed between the County of Suffolk and the Trustees of the Vanderbilt Museum, which expired on December 31, 2009. Amongst other stipulations included in the MOU, the Museum agreed to and in June 2009 submitted a formal written business plan demonstrating how the Museum would replace the County's 2009 distribution in fiscal year 2010.

During 2009, the following additional notable Procedural Motions and Resolutions were adopted.

- Procedural Motion No. 2-2009 was adopted to retain outside counsel in matters relating to the Suffolk County Vanderbilt Museum.
- Procedural Motion No. 3-2009 was adopted to authorize the remittance of monies from the maintenance Fund to the Vanderbilt Museum. The

Vanderbilt Museum's Maintenance Fund Investment Advisor, in consultation with the Presiding Officer of the Suffolk County Legislature and the Legislature's Budget Review Office, was authorized to remit monthly disbursements to the Vanderbilt Museum from January 1, 2009 to December 31, 2009, as long as the corpus of the fund did not go below the value of the original bequest (\$8.2 million).

- Procedural Motion No. 16-2009 authorized the retention of counsel in relation to the Suffolk County Vanderbilt Museum.
- Resolution No. 122-2009 established a Task Force to Study the Feasibility of Suffolk County Community College assuming the operation of the Vanderbilt Museum.
- Resolution No. 371-2009 authorized a cell tower at the Vanderbilt Museum.
- Resolution No. 804-2009 extended the deadline for a Task Force to Study the Feasibility of Suffolk County Community College assuming the operation of the Vanderbilt Museum.

During 2010, the following pertinent Procedural Motions and Resolutions were adopted.

- Procedural Motion 2-2010 was adopted to authorize the remittance of monies (\$20,000) from the maintenance fund to the Vanderbilt Museum.
- Procedural Motion 5-2010 was adopted to retain PFM Asset Management LLC and U.S. Bank.
- Resolution No. 1196-2010 extended the deadline for the Task Force to Study the Feasibility of Suffolk County Community College assuming the operation of the Vanderbilt Museum to no later than December 31, 2011.

During 2011, the following pertinent Procedural Motions and Resolutions were adopted.

- Resolution No. 110-2011 reauthorized and reconstituted the Vanderbilt Museum Oversight Committee to work with the Vanderbilt Museum Board of Trustees and its administrators, for the purpose of ensuring the Museum's long-term financial viability. The Oversight Committee is to study the Museum's fiscal management and procurement practices and make recommendations to improve these processes, assist the Museum in bringing to fruition longstanding proposals to generate new revenues, report on the physical condition of the Museum and recommend safety improvement priorities to the Legislature, send a representative to each

meeting of the Vanderbilt Museum's Board of Trustees, and send a representative to the County Legislature's Parks and Recreation Committee on a regular basis to report on its activities and is to further report to the full Legislature on a regular basis.

- Resolution No. 311-2011 authorized the transfer of ownership of the GOTO star projector to the Museum's Board of Trustees for its sale or disposal with the proceeds to be used for Vanderbilt Museum and Planetarium operations.
- Resolution No. 387-2011 authorized the following changes in the investment management policy for the Suffolk County Vanderbilt Museum Endowment Trust Fund.
 - Adopted an investment management policy⁴ that restricts bond investments to bonds Ba and above, while maintaining an overall average quality rating for the bond investments of AA or above and directs the Fund's investment manager to make every effort to the extent practical, prudent and appropriate, to select commingled funds and/or mutual funds that have investment objectives and policies that are consistent with the Fund's investment management objectives and policies.
 - Given the nature of commingled funds and mutual funds, it is recognized that there may be deviations between the Fund's investment management policy and the objectives of the Fund's pooled vehicles. Further, a pooled fund or mutual fund will not be included in the Fund's portfolio unless it complies with the Investment Company Act of 1940, as amended through P.L. 111-257, diversification requirement.
 - Authorized the Vanderbilt Museum Trust Fund's investment manager to utilize a total return concept, meaning investing for a comprehensive return, including interest and dividends earned on stocks and bonds, plus realized and unrealized gains and losses.
 - The investment guidelines stipulated in Resolution No. 387-2011 shall remain in effect until modified by duly enacted resolution of the Suffolk County Legislature.

⁴ The investment management policy that had been adopted in Resolution No. 215-1987, was amended by Resolution No. 387-2011 to reflect a change in the investment manager's methodology of investment from restricting bond investments to investment grade, Baa or above, per Moody's Investors Service to the allowance of bonds Ba and above, while maintaining an overall average quality rating for the bond investments of AA or above.

- Resolution No. 1010-2011 authorized the Museum to purchase gasoline from the County's fueling facilities for its traveling exhibit, "Discovering the Universe". On October 19, 2011, the Museum's Board of Trustees accepted the gift of the 37-foot Recreational Vehicle ("RV") from the American Museum of Natural History.
- Resolution No. 1016-2011 approved a two-year license agreement with Z. Richard Mecik and Marina Mecik to reside at Normandy Manor, commencing March 1, 2012 and continuing through February 28, 2014. The license agreement is for \$5,500 per month to be remitted to the Suffolk County Vanderbilt Museum no less than once a month due on the first of each month. The Suffolk County Vanderbilt Museum is to use the license revenue to support the general operations of the Museum.

During 2012, the following pertinent resolution was adopted.

- Resolution No. 137-2012 authorized the sale of the Museum's 1937 Chrysler Imperial to Howard Kroplick for the sum of \$275,000. In accordance with the American Association of Museums accreditation of the Museum proceeds from the sale are restricted to care and maintenance of its collections.

Director, Vanderbilt Museum

From:
Sent: Wednesday, April 17, 2013 3:48 PM
To: director@vanderbiltmuseum.org
Cc:
Subject: Tim Roth- employee

Remove
E-mail
address

To whom it may concern:

I wanted to take this opportunity to thank the Education program at the Vanderbilt Museum for our class visit today. We are a special education high school program at Great Neck North High School and today my class of special needs students visited the Planetarium. All of the staff working today were amazing and all went above and beyond to ensure all of my students enjoyed the visit. One of my students has been asking to go to the Planetarium for three years and was very excited to go on this trip today. Unfortunately, she is terrified of the dark and had a very difficult time entering the theater. The staff was wonderful and quickly assisted me in escorting her out of the dark and into the lobby where she was more comfortable. While sitting in the lobby, staff member Tim Roth approached us and began a conversation with my student. Her language skills are very limited, however, the ease that Tim spoke with her and the excitement in his interaction with her was incredible. After spending much time with us, Tim encouraged us to try to enter the theater again. He assured her that he (and his flashlight) would remain with us should she again become fearful. He escorted us into the vestibule in between the lobby and theater and listened to her as she expressed fear of going into "the dark". He waited until he sensed she was a little more comfortable and then went into the theater to check the portion of the program. He explained to her that the storm part of the program was about to begin and that it could be scary so he suggested she wait until the theater become a little lighter. Once we entered the room, he encouraged and praised her efforts every step of the way. I couldn't believe it when she finally sat in a seat with her classmates and enjoyed the rest of the show, she never would have done this without the help of Tim. She was so excited to finally get to see the stars and loved the remainder of the show.

Tim Roth was nothing short of exceptional. His patience, kindness and concern helped my student overcome a fear and made a wish come true. Thank you for hiring Tim Roth and the rest of your amazing employees, we can't wait for our next visit to the Planetarium.

Sincerely,

Keri Brucato
Special Education Teacher
Great Neck North High School