



BOSTON PUBLIC LIBRARY

COBBLE SQUARE & 2<sup>ND</sup> NEIGHBORHOOD BRANCHES BOSTON, MASSACHUSETTS T 617-536-5400 WWW.BPL.ORG

February 15, 2008

Ms. Lisa C. Signori  
Director of Administration and Finance and Collector Treasurer  
Boston City Hall  
One City Hall Plaza  
Boston, MA 02201

Dear Ms. Signori:

I am in receipt of your letter of February 5th and was surprised to learn in this way of your unilateral action to change the manner in which trust funds are managed for the Trustees of the Public Library of the City of Boston. While I understand, appreciate, and at times even endorse a need for consistency, I also understand that government, by its very nature, is sometimes not tidy. The checks and balances and segregation of duties that sometimes make for inconsistency are in fact designed to improve our accountability and our management of public resources. While your action might in fact bring consistency to some of your management duties it brings significant inconsistency to the non-profit corporation called the Trustees of the Public Library of the City of Boston. I believe, that for over a hundred and thirty years, the Library has consistently relied on funds produced by the trusts under the custodianship of the City Treasurer to support major portions of the Library's operation. We have followed a path consistently, with authority from our Trustees to request these funds and to disperse them following the highest standards of accountability. While I understand that you would like this process to be neat and tidy your unilateral action without discussion with me, my staff or the Trustees jeopardizes the Trustees' corporation ability to meet its financial obligations.

I believe, that you have overstepped your authority as city treasurer and have misconstrued your role as "custodian" of the trust funds held for the Trustees. The library trusts for which you provide custody were not in fact bequeathed to the City. Almost all of them were bequests or gifts to the Trustees of the Public Library of the City of Boston. Those that were not direct library gifts received significant attention from the City's Corporation Counsel who went to court to have those trusts transferred from the direct supervision of the City of Boston to the supervision of the Trustees' Corporation. This was done with considerable thought and rationale and was the basis of my long unanswered request to transfer the McGovern Trust to the Library in the same way.

I am copying this correspondence to the Assistant Attorney General of the Commonwealth responsible for the Division of Non-Profit Organizations and Public Charities. As you know, the Trustees of the Public Library of the City of Boston was created first in 1848 under authorizing state statute and as a separate 501c3 corporation it is governed by the rules of the Commonwealth. This corporation is regularly audited, financial reports are appropriately filed, and scrutiny is exercised in a variety of ways to guarantee that the funds are appropriately expended. We welcome your office's review of any of these funds and the disbursements related to them. You in fact operate the computing system and software by which these funds are managed. All information related to these funds and this corporation reside in the same building where your offices are housed and you supervise the staff who

*Books are just the beginning.*

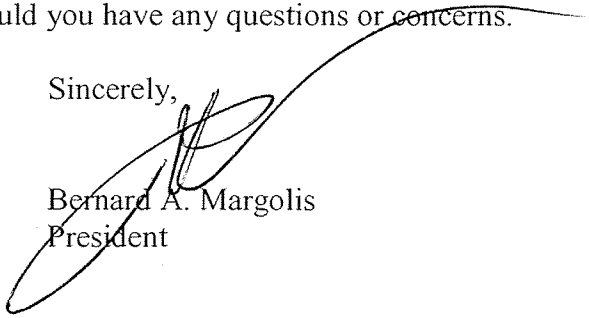
operate the supporting technology. The Attorney General represents not only the interests of the general public but also the interests of those who have made bequests and contributions of funds which have enabled the establishment of the trusts in your custody. Individuals rely on the organization to which they entrust their resources to dispatch them in ways that are consistent with their wishes. The Library takes this work very seriously and is careful in its monitoring of the use of funds. Should you ever have a question about this compliance you need only ask.

Your unilateral action imposes significant jeopardy on the ability of the Library to meet its financial obligations which were expected to be covered by the previously requested disbursement of funds from its trusts. I am therefore instructing the Library's Chief Financial Officer to cease the payment of any receipts received by the Boston Public Library which may have otherwise been conveyed to the City of Boston. I will further be asking our Chief Financial Officer to consult our auditors to determine the best way to document this action. It seems particularly surprising that seven months into the fiscal year you would seek to change the manner in which these funds have been handled. While we wrangled about this matter last year you told me you would arrange a meeting to discuss the matter further. I have indicated on more than one occasion not only a willingness but an interest in discussing other approaches as to how these funds are disbursed. I still welcome that discussion and hope that you will proceed to release these funds as in the past so that we can together work on looking at opportunities to improve this process beginning with the next fiscal year.

In my role as Library President, I am the designated agent of the Trustees of the Public Library of the City of Boston. I am sure that the Trustees would welcome an appropriate discussion of this matter. I will be conveying this information to Chairman Jeffrey Rudman and hope that there will be an opportunity for the Trustees at their next meeting on March 11, 2008 to discuss this matter more fully. In the meantime, I am copying the Chairman of the Trustees Finance and Audit Committee on this letter. You have had members of your staff participate in that committee's meetings for some time. This matter has never been brought to that group as a concern. At a minimum, the appropriate execution of the Trustees' fiduciary duties requires that they be engaged in conversation and that you understand and respect their vital role in governing the Library and appropriately managing its resources. The Trustees, in fact, in many of the trusts, have much broader responsibility than you note in your letter. Like myself, I am sure that they will want to amicably address any issues of concern which you may have and establish the most effective course of action in order to manage and utilize these critically important trust fund resources.

Please feel free to contact me should you have any questions or concerns.

Sincerely,



Bernard A. Margolis  
President

BAM/cad

cc: David Spackman, Assistant Attorney General  
Jeffrey B. Rudman, Chair, Trustees of the Public Library of the City of Boston  
Edward Maheigan, Acting Chief Financial Officer  
Honorable William Bulger, Chair, Finance Committee  
David Dilulis, O'Connor and Drew, CPAS