

Evaluation
Of the
Proposal
to
Replace Existing Community Board Members
with
Board Members elected by
Local Registered Voters

February 2006

SUMMARY

1. The proposal for an elected Library Board is put forth by opponents of the new wing at the library.
2. The East Hampton Library is an Association Library. Of the 750 libraries in New York State, 363 are Association libraries. Only 11 Association Libraries have elected boards.
3. For 107 years, the East Hampton Library has been a unique public/private partnership, securing about 60% of its capital and operating budgets from private fund-raising. In 2006, the private sector will contribute approximately 30% of the library operating budget. Virtually all other libraries in the state, including all other East End libraries, generate nearly 100% of their capital and operating budgets from the taxpayers.
4. The East Hampton Library is organized on a model comparable to the New York Public Library which raises about half of its operating budget from private fund-raising. To do so, it does not have an elected Board.
5. The Library agrees that there should be no taxation without representation. The Library Board has no power to tax the public. Any annual budget that increases tax revenues for the Library must be put to a public vote. This is a form of pure democracy, and it makes the East Hampton Library directly accountable to the taxpayers and registered voters.
6. In years gone by, the Library Board consisted of individuals who lived primarily in the Village of East Hampton. In the past ten years, the Board has been diversified to include representatives from Northwest, Springs, Three Mile Harbor and Wainscott.
7. The Library has complied with the recommendation of the Regents to provide availability of local library service to all residents. However, a generalized recommendation put forth by the Regents to form a Public Library District with elected trustees exempt from local zoning and 100% taxpayer- financed has been deemed inappropriate for East Hampton by the Library Board.
8. In the last ten years, the Library Board has donated or raised over \$7 million for capital and operating costs. No other East End Library has such a successful track record.
9. As a result, the average tax cost to library district residents was \$57 in 2004, contrasting with \$478 in Amagansett, and \$214 in Southampton.
10. Over the last 107 years, the Board has carefully built an endowment totaling \$4,200,000 which substantially reduces current and future taxpayer costs. No other library on Long Island has such an endowment. However, the Library Taxpayer group has argued that most of these funds are liquid and available for current expenses instead of investing them for the benefit of future generations.
11. The Library Taxpayers' proposal would exclude second homeowners from the Library Board, even though they are a very significant part of East Hampton's tax base. To arbitrarily discriminate against second homeowners runs counter to the tradition of the Library. Five of the eighteen Board members are second homeowners.
12. The East Hampton Library has always had a Board of dedicated volunteers who continually work to benefit the community. The Library should not become a government municipality receiving all of its revenue from the taxpayer.
13. The East Hampton Library should not be politicized.

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Introduction

In September of 2005, the East Hampton Library was asked by some residents of the Village to consider changing the method of electing its Board of Managers to allow direct election of the Board members by registered voters in the library district. The demand came initially from a group of former library presidents, Village residents (all but one) and was taken up by Library Taxpayer Advocates, Inc., a group recently incorporated by several Town residents who oppose the new children's wing at the library.

The argument in favor of such a change in the method of electing the Board is that there should be "no taxation without representation" and that only those full-time residents registered to vote in local elections in the library district should have a say in the governance of the library.

The Board thought the idea required evaluation and response. To do so, the Board looked back to its history as the starting point. It then looked at the method by which other libraries in New York State were organized. It also consulted with library officials at other institutions for insight and guidance. The following is the outcome of this evaluation.

The East Hampton Library is an Association Library

In 1898, the East Hampton Library was incorporated under the laws of New York State as a private institution. It is one of 753 libraries in New York State. Of these, 390 are public libraries owned by a municipality, school district, or created by the state legislature. The remaining 363 libraries are association libraries, such as the East Hampton Library.

The primary differences between public and association libraries are that public libraries are

- (i) owned by the public and are treated, by state law, as municipal institutions, much the way school districts are treated,
- (ii) generally exempt from local zoning, and
- (iii) have Boards elected by library district voters who are registered to vote in local elections.

Association libraries

- (i) are organized like most civic organizations,
- (ii) own the physical buildings and land,
- (iii) are subject to local zoning,
- (iv) are not considered municipal institutions under state law, and
- (v) recruit Board members from citizens in the community.

Of the 363 association libraries in the state, only 11 Boards have been elected by registered voters. The remaining 352 (97%) recruit Board members from citizen volunteers, as does the East Hampton Library.

	PUBLIC	ASSOCIATION	TOTAL
Community Boards	0	352 (97%)	352
Elected Boards	390	11 (3%)	401
	390	363	753

The East Hampton Library is a unique public/private partnership generating significant benefits to the residents of the Town

For 107 years, the East Hampton Library has blended the benefits of both public and private libraries.

Over the last ten years, the East Hampton Library has secured about 60% of its capital budget and operating budgets from private fund-raising with the remaining costs paid by taxpayers in the library district as part of their annual property tax bill. In fact, since 1916, the Library has secured an average of 58% of its revenues from private sources (see attached table: “ Historic Sources of Revenue”). In 2006, the private sector will contribute approximately 30% of the library-operating budget.

Such a high level of charitable donations to an association library is most unusual. Virtually all other libraries in the state (including all other East End libraries) generate 99% or more of their capital and operating budgets from the taxpayers.

In New York State, there are only a few libraries that have consistently generated such a high portion of their capital improvement costs and annual operating budget from the private sector. The East Hampton Library and the New York Public Library are among them.

A Similar Model — The New York Public Library

The East Hampton Library is organized on a model comparable to the New York Public Library. The New York Public Library secures about half of its operating budget from private fund-raising and income from its endowments. The remaining costs are paid by the City of New York. Its Board is made up of community members nominated and elected by the Board, as is the East Hampton Library Board. This ensures substantial private participation in the funding process. Only a Board composed of community-minded individuals willing to engage in fundraising for the benefit of the entire community will succeed in creating a public/private partnership maximizing the philanthropic potential of its community.

Both the East Hampton Library and the New York Public Library have community boards. Neither have board members elected by local registered voters.

The Proposal

The Public Taxes Itself

The proponents of a Board elected by local registered voters state that there should be "no taxation without representation". We agree. In fact, the library Board has no power to tax the public. With association libraries like East Hampton, there is no taxation without public referendum. Any annual budget that increases tax revenues for the library must be put to a public vote. All locally registered voters in the library district are eligible to vote: either to approve or deny the tax increases. It is a form of pure democracy. Unlike all other levels of government (i.e., village, town, county, state and federal), the public agrees to tax itself for the purpose of operating a library by a public vote on any tax increases requested by the library Board. At the other levels of government, elected representatives are constitutionally given the power to enact taxes on the populace without the need for such a referendum.

As a result, the Board of the East Hampton Library is directly accountable to the taxpayers and registered voters. The taxpayers govern the Library's taxing, absolutely.

Community Representation

Those in favor of a Board elected exclusively by registered voters also argue that the Board will better represent the community.

The East Hampton Library Board is made up of 18 individuals. It is one of the largest Boards in the state (as is the New York Public Library). For many years, library Board members have been nominated from members of the community, many of whom have been active in the Library committee system as well as numerous other civic organizations, including the following:

- Animal Rescue Fund
- Boys Harbor
- Chamber of Commerce
- The Circle Association
- Community Preservation Fund Advisory Board
- Cub Scouts
- The East Hampton 350th Anniversary Committee
- East Hampton Garden Club
- East Hampton Healthcare Foundation
- East Hampton Historical Society
- East Hampton Lion's Club
- Ellen's Run
- The Girl Scouts
- Guild Hall

Ladies Village Improvement Society
The Nature Conservancy
Parent Teachers Association
Preservation League of New York State
The Retreat
St. Luke's Episcopal Church
Springs Citizens Advisory Committee
Village Planning Board
Village Preservation Society
and others

The patrons of the library benefit a great deal from the vast experience and community knowledge possessed by members of the Board.

In years gone by the Library Board consisted of residents who lived primarily in the Village. In the past ten years a concerted effort has been made to diversify the Board to include varied segments of the community and geographic parts of the library district. Second homeowners make up a large percentage of our community and are also a vital part of the Board.

The current Board members reside in the following hamlets:

East Hampton Village	11
Just outside Village	2
Three Mile Harbor	2
Wainscott	1
Springs	1
Northwest	<u>1</u>
	18

Direct Community Involvement

In addition to their other community involvement, Library Board members have raised significant funds for capital and operational expenses for the library. The Board's wider spectrum of involvement has broadened the support base for the library. Each year, by renewing their commitment to the library, this broad support helps make the library a successful civic organization responsive to the community. This permits so much more to be accomplished than if the library were to rely solely on tax revenue as several of the proponents of an elected Board have espoused.

Experience

The Board has 144 years of collective service to the library. Current Board members have served between one and twenty years, with six Board members serving ten or more years and four new members elected this year. This service record provides stability and continuity. This permits long-term planning which would be lost if the Board were up for re-election periodically.

Active Board Participation

In the last ten years, the Board of Managers has achieved the following:

- a) Expanded library hours to 7pm;
- b) Opened on Sunday afternoons;
- c) Provided all residents with at-home internet connection;
- d) Raised significant funds to underwrite the preservation and acquisition of archival documents for the Long Island Collection;
- e) Hired a Children's Librarian and several reference librarians;
- f) Expanded children's educational programming;
- g) Instituted history and author lectures;
- h) Published quarterly newsletters for all patrons;
- i) Provided expensive database research internet collections for at-home access and adopted the most stringent computerized audit and accounting systems
- j) Adopted a Code of Ethics for employees and Managers;
- k) Provided each patron with a Personal Library Account so he or she can reserve books, extend borrowing time and check book availability.
- l) Installed new wireless access high speed internet access within the library and on the back lawn;
- m) Revised benefit policy to cap rising costs of health insurance;
- n) Revised accounts payable/receivable procedures including hiring of a Controller to insure strict fiscal accountability.

The above was accomplished in addition to the core mission of providing books to the community.

Regents' Recommendation

Another argument offered by the proponents is that the NYS Regents recommends an elected Board. In its report dated July 14, 2000, the Regents made ten recommendations to "Meet the Needs of All New Yorkers for Library Service in the New Century". The third of these recommendations was to "promote the availability of local library service to all New Yorkers and approve local support for public libraries through the formation of Public Library Districts." The primary thrust of this recommendation was that "all New Yorkers should live in a community that has access to library services and must have adequate local support." The recommendation went on to urge the creation of Public Library Districts which would offer flexibility and options to ensure that they meet the needs of all citizens. The commission acknowledged the value of "local libraries as centers of community life that promote information literacy and afford opportunities for life-long learning." The recommendation urged the creation of these Public Library Districts to ensure that no local community would remain unserved and to provide greater accountability to the communities they serve through "public votes on library budgets and the election of library trustees. Experience

has shown that in library districts where the public votes on the library budget, per capita support is higher and support has significantly increased."

Prior to the adoption of this report, the East Hampton Library, in 1999, took steps to formally expand its library district to include the school districts of Wainscott and Springs in order to provide for equalized property tax support from these school districts. Up to that time, residents in Wainscott and Springs, while served by the East Hampton Library under its Regents Charter of 1898, were paying a user fee of \$50 to the library for a library card. They did not pay through taxation. By expanding the library district, the East Hampton Library Board anticipated the above recommendation of the Regents and did so with the coordinated assistance and advice of the Suffolk Cooperative Library System and the Regents.

The aforesaid Regents recommendation focused primarily on the need to involve the public in the budget approval process. The East Hampton Library does just that by seeking public approval of all budgetary tax increases requested of the voters without having formed a Public Library District, as also recommended by the Regents. The vast majority of Public Library Districts are considered municipal institutions,

generally free of local zoning control. The East Hampton Library Board sees no need for the creation of such a Public Library District, especially now that all residents of the library districts have access to library service and the library has adequate local support for its budget requests in East Hampton.

And most interesting is the exclusion of the New York Public Library from the Regents' recommendation regarding the creation of Public Library Districts. The Board of the New York Public Library consists of 56 individuals who work actively to raise millions of dollars each year to operate the library.

The members of the Board also work between Board meetings as active members of a committee system donating thousands of hours to the library each year. It is a true civic organization.

The East Hampton Library operates as a miniature version of the New York Public Library. While its annual budget is only a fraction of the NYPL, the Board operates in a similar fashion. Board members donate or raise significant funds and donate hundreds of hours each year as active members of the library committees.

While the Regents recommendation generally makes good sense when a library receives almost 100% of its capital and operating budgets

from the taxpayers, the Regents recommendation itself was careful to exclude the most successful and unique private/public partnership in the State—the New York Public Library. For similar reasons, great care needs to be taken to maintain the existing balance between the public and private aspects of the governance of the East Hampton Library.

Local Libraries

The few local libraries that do have Boards elected by local registered voters have done so as a result of efforts by the libraries to secure full taxpayer financing of a major expansion to their buildings. The East Hampton Library has not, nor does it intend to ask the taxpayers for funds for expansion of its building. For the last expansion in 1997, one hundred percent of the \$3,500,000 cost was donated or raised by members of the Board, many of whom are still on the Board. The savings to the taxpayer from such a gift to the community are substantial: No construction bonds, no interest or principal payments are being paid for by the taxpayer as occurs in all neighboring libraries. While the taxpayer would partially incur the cost of operating the additional space, it would be a fraction of the cost of the construction.

Finally, the recent experiment in Sag Harbor shifting to a Board elected by local registered voters turned out to be a disappointment to some as the following excerpt from the East Hampton Star on 9-29-05 indicates:

Low turnout after much ado

Allison Gray, the library's director said she was disappointed by the low number of voters... "Last year, all we heard was that nothing the Board proposed was valid because the Board was appointed, not elected", Ms gray said. The Board changed its bylaws in January in order to hold an election. "Yet after all of that talk of no taxation without representation only (one candidate) had declared herself by the time of the deadline to submit petitions," Mrs. Gray said adding that it took an editorial in the Sag Harbor Express to get more people to run. "Then residents demanded a candidates' forum and we did that too. Once residents were given a chance to vote for trustees they did not come out and vote in large numbers. So I don't get it. The Board has done everything the public has asked ---- really demanded," she said. "There was a lack of follow-through. We should have had a big vote. "

It would be a shame to cast off the 107-year tradition of public/private partnership tradition of the East Hampton Library only to have a similar disappointing result and illusory benefits.

Disadvantages of Proposal

Elimination of Public/Private Nature of the Library

The most serious problem created by a Board elected by registered voters would be that the private/public nature of the library would eventually be lost. Library administrators agree that when a Board becomes voter-elected, the nature of Board participation shifts from that of a civic organization to that of a municipal institution. Board members then would naturally see themselves as representing the constituencies that were responsible for their election. Fund-raising activities involving the private sector would be replaced with tax dollars needed from the taxpayer. The unique balance between the private and public financing of the East Hampton Library would likely be replaced by 100% taxpayer funding of operations and capital expenses, if not immediately almost certainly over the long term. *In fact, several of the proponents of the proposal to elected Board members have in the past argued that the taxpayer should pay 100% of the library's budget.*

Such a change in the 107-year tradition of this library could eliminate significant benefits to the residents of the Town.

Elimination of Tax Saving Benefits

For instance, in the last ten years, the Board has donated or raised over \$7 million for capital and operating costs. In fact, since its earliest days, every one of the seven construction projects at the library were paid for by private donations thereby relieving the taxpayer of that expense. This tradition was begun as a result of the civic nature of the library Board. *As a result of the Board having raised \$3.5 million for the 1997 addition to the library (and having no prior or existing mortgages or debt), as well as so much of the operating costs each year, the cost per capita to the East Hampton Library was \$57 in 2004. This contrasts with \$478 in Amagansett and \$214 in Southampton.*

Endowment Threatened

Over the course of the last 107 years, the Board has carefully built an endowment of donor restricted funds from residents of the community either as gifts or bequests. These funds, totaling \$4,200,000, are held in investment accounts. The income (interest and dividends) from these funds is either reinvested or used as directed by the donor or to pay annual costs of the library, Each year the Board solicits such gifts. Since 1998, the endowment grew from \$2.7 million to \$4.2 million through

such fund-raising and a prudent and fiscally sound investment policy. No other library on Long Island has such an endowment. As a result of the income being applied to annual expenses, the cost to the taxpayer of operating the library is very low compared to other communities.

In the recent budget vote, one of the proponents of the elected Board urged voters to vote against the budget since the library endowment was “available and liquid” and therefore the library was in no need of additional taxpayer funds. This indicated an intent to invade the carefully invested funds if the local registered voters were to elect the Board.

Exclusion of Second Homeowners

The proponents of a Board elected by registered voters in the library district would exclude second homeowners from the Board. Second home owners are patrons of the library and a very significant part of our tax base which provides great financial support for the Library, both through property taxes and by charitable contributions. To arbitrarily discriminate against them runs counter to the tradition of the library.

Most second homeowners are not registered voters in this district;

yet they pay property, school, and local taxes that support year-round services. These second homeowners are taxed for these services, yet they cannot vote for local representatives or voice their opinion on school or library budgets. By having second homeowners on our Board, this important constituency is given a say in how their funds are spent. The library is the only public institution that directly represents the interests of second homeowners by permitting them to become Board members.

The current Board has five second homeowners (28%) on the Board all of whom willingly contribute time, energy and funds to the library.

Possible Politicizing of the Library

Finally, due to the traditional low-turnout in such library elections there would exist the possibility that elections could be subjected to undue influence by politically ambitious candidates whose motives may not in the best interest of the library patrons. The outcome of such elections could be easily affected by individuals with the financial wherewithal to exert such influence.

Summary

After careful evaluation, the Board concludes that to change the 107-year tradition in order to provide for a Board elected solely by and from voters registered to vote in local elections would not be in the best interest of the library, its patrons, or the town. The library has always had a Board of dedicated volunteers who continually work to benefit the community.

The East Hampton Library is a unique library modeled financially after the same model of governance as the New York Public Library. Only 11 association libraries in the State have elected Boards. It is important to preserve the civic nature of the library. It should not be a municipal institution receiving all of its revenue from the taxpayer. The public/private partnership begun 107 years ago when the library was established has served the East Hampton community well.

Therefore, our firm conviction is that it is important to preserve the present nature of the library Board.

Tom Twomey, President

Joined the Board in 1995 and chaired the Capital Campaign that raised \$3.5 million in private donations as a gift to the community for the 1997 addition. As President since 1998, he has helped raise an additional \$3.5 million for operating expenses to extend library hours, purchase books, create library at home computer networks, and expand educational programs for children and adults. He lives in Northwest and has practiced law in East Hampton for 32 years with Twomey, Latham, Shea, Kelley, Reale, Dubin & Quartararo

Doreen Niggles, First Vice-President

Serving on the Board since 2001, Doreen has worked tirelessly on raising funds to help the library. As an East Hampton business leader, she was a very active member of the East Hampton 350th Anniversary Committee. Doreen is a broker with Allan M. Schneider & Associates Realtors. She has lived in Wainscott all her life.

Stuart Epstein, Treasurer

Has worked energetically for many years to keep the library on a sound financial footing and one of the best-run libraries in the county. He has been a director of The Retreat and now serves as a member of the board of the Jewish Center of the Hamptons. Stuart brought to the table his business success as an owner of Devlin McNiff Realtors and previous to that he was a successful creative director of a NYC advertising agency.

Don Hunting, Asst Treasurer

Began volunteering to help the library in 1967 as a member of the Men's advisory committee. Since 1990, he has been serving as Treasurer and more recently, as assistant treasurer donating over the years hundreds of hours preparing the numerous regulatory reports required of a library. He has been the guiding hand in the financial well being of the library. Active in many village civic organizations, including the Village Preservation Society and the East Hampton Historical Society, Don is the Chair of the Village Planning Board and has been retired for several years from his accounting firm of Hunting Rose & Wingate located on Main Street, East Hampton.

John McGuirk, Asst Treasurer

Joined the Board in 1997. He has served as First Vice-President and is a member of the Nominating and Business Committees. John is a partner in

the insurance firm of Dayton Ritz & Osborne and is active in several organizations in the village.

Bobby Scheerer, Recording Secretary

Bobby became a supporter of the library at age 6 when her mother was on the library board. Years later, Bobby became a board member herself and has been the recording secretary keeping the minutes for the last 25 years. Devotion to the library, Bobby has been Chair of the Book Sale committee donating thousands of hours conducting the sales four times a year for the last several decades. Bobby lives in the Village and is a member of the Village Planning Board

Ellen Cromack, Corresponding Secretary

Joining the Board in 2003, Ellen has been the prime organizer of the wonderfully popular Children's Fair begun six years ago. As Co-Chair of the Children's Committee, Ellen has been instrumental in the hiring of a new Children's Librarian and reinvigorating the children's programs at the library. Ellen and her three young children and husband have a home in the Village.

Ann Chapman

Has spent hundreds of hours helping the library since 1980. As Chair of the Long Island Collection for many years, Ann has rejuvenated the efforts to preserve and expand its extensive archives. As a member of the East Hampton 350th Anniversary Committee, Ann helped raise money which became the core of a special fund at the library to benefit the Long Island Collection. In addition, Ann was at the center of the fundraising campaign 10 years ago to build the last addition to the library.

Bruce Collins

Bruce has been volunteering his considerable talent to the library for many years. As Co-Chair of the Long Island Collection and Chair of its Acquisition Committee, he has led the efforts to secure donations of important rare documents from the old families in town. He is now Co-Chair of the Capital Building Committee. Bruce has served as the Chair of The East Hampton 350th Anniversary Committee, has been East Hampton Town Supervisor, Chairman of Bank of the Hampton, a director of Suffolk County National Bank and a director of the East Hampton Healthcare Foundation.

Sara Davison

A community leader for two decades in East Hampton, Sara has recently joined the board to continue her commitment to public service. She has served as the executive director of the local Nature Conservancy and more recently is the director of the Animal Rescue Fund where she has just completed re-building its facility in Wainscott. Sara lives near Three Mile Harbor.

Patti Ferrin

Patti has been helping the library for years. She serves on the Library Society, Building & Grounds and Book Sale committees of the board. She is the immediate past president of the Ladies Village Improvement Society and lives in the village.

Isabel Furlaud

Isabel was drawn to the library many years ago when she decided the library needed a better children's library for her grandchildren. Since then, she has worked endless hours to accomplish just that. Her family's commitment, led the way to a successful Capital Campaign in 1997, resulting in the construction of the beautiful Olin Wing. During this same period, Isabel also served as President of the Historical Society . She lives in the Village.

Howard Lebwith

Howard has served on the Special Events committee of the board since 2001, helping organize to everyone's glee, events as diverse as poetry readings and road races. For many years Howard served as the Chair of the Springs Citizens Advisory Committee and has been involved in virtually every community activity in that community.

Kristine Kennedy

For the last six years, Kristine has been helping the library expand its children programs. She has tirelessly helped organize three huge Children's Fairs raising significant funds for these programs. Recently joining the board, Kristine is now serving as Co-Chair of the Children's Committee and also serves on the Library Society Committee which raises funds year round for the library.

Norman Mercer

A board member since 1999, Norman brings his decades of business success to the library. Former President of the East Hampton Historical Society. He has expended hundreds of hours working on the Business & Budget Committee helping make the library a well run fiscally prudent operation. Norman lives in the Village.

Janet Ross

Janet has served on the board since 1997, lending her insight and interest. She has served on the House, Long Island Collection and Budget Committees. Her council and board memberships on the Preservation League of New York State and the Municipal Art Society in New York City reflect her interest in civic matters of all kinds. Her affinity for libraries began in her younger years when she was drawn to, and spent many hours in the town library in Huntington, West Virginia. She recalls seeing European refugee families from World War II making full use of the children's library and thought at the time that they were perhaps beginning to feel at home.

Carolyn Snyder

Joined the Board in 1998 and has led her other board members in raising several million dollars from generous residents to enhance the operations of the library. As Co-Chair of the Library Society, she has increased six-fold the fundraising capacity of the library utilizing the funds to buy books, tapes, computers, and underwriting educational programs for our children and adults in the community. Carolyn recently led the Capital Campaign at St. Lukes Church. Carolyn operates Round Swamp Farm with her family.