### Circulation and Collection Use (including Fees and Fines) Policy – 2011 Recommendations

<table>
<thead>
<tr>
<th>Date:</th>
<th>July 26, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>To:</td>
<td>Toronto Public Library Board</td>
</tr>
<tr>
<td>From:</td>
<td>City Librarian</td>
</tr>
</tbody>
</table>

**SUMMARY**

The purpose of this report is to recommend changes to the Circulation and Collection Use (including Fees and Fines) Policy. The policy and the accompanying schedule are reviewed on a regular basis to ensure they are reasonable, effective and in line with nearby libraries and with other large urban Canadian public libraries. The policy was last reviewed by the Board in February 2010.

This report is recommending:
- a change in the fine structure so that fines are applied by the age designation of the materials being borrowed rather than the age of the cardholder;
- increases to fine rates per day and to the maximum fines per item per borrowing period;
- new fine rates for DVDs and Best Bets;
- changes to collection agency parameters and charges;
- increases to non-resident fee rates;
- refinements to policies regarding suspension of borrowing privileges;
- increases to book sale prices.

The report also informs the Board about the pending introduction of two initiatives related to fines and overdues, email pre-notification of due dates and online fines payment. It recommends adding a service charge for online fines payment transactions.

**RECOMMENDATIONS**

The City Librarian recommends that the Toronto Public Library Board:

1. approves the revised Circulation and Collection Use (including Fees and Fines) Policy (Attachment 1).
FINANCIAL IMPACT

The recommended changes to the structure and rates for fines and fees are expected to result in an annual net revenue increase of approximately $500,000.

The one-time cost to implement the system changes is estimated at $104,000, and this will be charged to the approved 2011 capital budget for Virtual Branch Services.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

IMPLEMENTATION POINTS

There are a number of items that require implementation.

Recommended for September 1, 2011 implementation:
- require outstanding fines to be cleared at time of card renewal;
- change suspension threshold of number of items overdue to 15;
- exempt fines of less than $5.00 from suspension threshold for fines owing for more than six weeks;
- allow pedometers to be renewed for two standard loan periods.

Recommended for January 2, 2012 implementation:
- change in fine structure;
- increase in fines rates for general materials;
- new rates for DVDs and Best Bets;
- $40.00 threshold for accounts sent to collection agency;
- new rates for collection agency fines;
- increase in non-resident fee;
- increase in book sale prices.

It is recommended that the service charge for online payment takes effect at the time this service is implemented, anticipated in late 2011. Email pre-notification of due dates will be implemented in 2012.

A full communications plan will be developed to inform the public about these changes.

DECISION HISTORY

To address Toronto's 2012 budget gap of $774 million, City Council approved the Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process on April 12, 2011. The Service Review Program includes a User Fee Study which involves all City departments and agencies, led by the City Manager’s office. At the meeting on June 7, 2011, the Board received a 2012 Service Review Program and
Budget Update which noted that Library staff had begun an examination of fines and fees.

The Circulation and Collection Use (including Fees and Fines) Policy was last reviewed by the Board in February 2010. There were no changes to fines rates in 2010. The last increase to fine rates took place in January 2004. A rate category for teen cardholders was introduced in 2005.

Services of a collection agency were approved in 2002 for adult accounts with unpaid balances of $50 or more. The collection agency fine, charged to customers whose accounts are turned over to the collection agency, was set at $10. There have been no changes to the parameters since 2002.

ISSUE BACKGROUND

The Circulation and Collection Use Policy applies to all users of all Toronto Public Library branches. It covers activities relating to the registration of Library users and the borrowing and use of Library collections and services. It sets the conditions and use of the Library card; the borrowing privileges, responsibilities and restrictions; and a schedule of fees and fines. The schedule of fees and fines includes some charges and fees that are not specifically related to circulation and collection use; for example, digital reproduction.

The policy is reviewed on a regular basis to ensure that it continues to provide an effective and relevant mechanism for making materials widely available to the community, for maximizing the use of collections and services, for facilitating requests for materials and retrieving overdue materials.

The Library employs a number of strategies to assist borrowers in managing due dates. For borrowers who already owe fines and have stopped using the Library as a result, the Library employs targeted mitigation strategies such as fine-forgiveness coupons for teens and for families on social assistance to help such individuals resume Library use. Moreover, front-line Library staff receives training so they can respond to individual circumstances with sensitivity and understanding, in ways that support successful customer interactions and continued Library use. As a further measure to assist customers, the Library will be introducing advance email notification of due dates, described within this report.

COMMENTS

Fines structure
(Section 1.12 and Schedule sec. 4) Toronto Public Library is recommending that fines rates be set to correspond to the age designation of the material borrowed.

Historically, fines rates were set to correspond to the age of the cardholder. For example, children’s cardholders paid children’s rates on all late materials, even if the materials
were from teens’ or adult collections, and adult cardholders paid adult rates, even if the materials were from the children’s or teens’ collections.

In today’s self-serve checkout environment it is more appropriate for fines rates to be applied on the basis of the type of materials that were borrowed, as staff are not present to monitor that the appropriate cards are being used at checkout.

**Fine rates**

(Schedule sec. 4.1) The Library is recommending the following fine rates for all materials except DVDs and Best Bets:

<table>
<thead>
<tr>
<th>Cardholder</th>
<th>Rate per day per item</th>
<th>Max. per borrowing period</th>
<th>Age designation of Material</th>
<th>Rate per day per item</th>
<th>Max. per borrowing period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult</td>
<td>$0.30</td>
<td>$12.00</td>
<td>Adults</td>
<td>$0.40</td>
<td>$16.00</td>
</tr>
<tr>
<td>Teen</td>
<td>$0.15</td>
<td>$6.00</td>
<td>Teens</td>
<td>$0.20</td>
<td>$8.00</td>
</tr>
<tr>
<td>Child</td>
<td>$0.10</td>
<td>$4.00</td>
<td>Children</td>
<td>$0.20</td>
<td>$8.00</td>
</tr>
</tbody>
</table>

Toronto Public Library has not increased its rate for fines since January 2004; in 2005 a new rate category was introduced for teens.

A review of fine rates in comparable libraries in Canada has been conducted. In Canadian libraries, rates ranged from a high of $0.50 per day in Ottawa to a low of $0.25 per day in a number of cities including Hamilton, Edmonton, and Brampton. In terms of fine rate structure, practices vary. Some cities like Ottawa, Calgary and Vancouver charge fines on the basis of the age category of the cardholder, while others like Hamilton and Richmond Hill charge fines on the basis of the age designation of the material. Mississauga and Vaughan both charge a single rate for all age categories of cardholders and materials, with special rates for DVDs and “Lightning Loans”.

The Library recommends that the fine rate for teens’ materials be the same as that for children.

**Fines rates for Best Bets and DVD’s**

(Schedule sec. 4.2) The Library is recommending the introduction of a new rate category for DVDs and Best Bets:

<table>
<thead>
<tr>
<th>Cardholder</th>
<th>Rate per day per item</th>
<th>Max. per borrowing period</th>
<th>Age designation of Material</th>
<th>Rate per day per item</th>
<th>Max. per borrowing period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult</td>
<td>$0.30</td>
<td>$12.00</td>
<td>Adults</td>
<td>$1.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Cardholder</td>
<td>Rate per day per item</td>
<td>Max. per borrowing period</td>
<td>Age designation of Material</td>
<td>Rate per day per item</td>
<td>Max. per borrowing period</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Adult</td>
<td>$0.30</td>
<td>$12.00</td>
<td>Adults</td>
<td>$1.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Teen</td>
<td>$0.15</td>
<td>$6.00</td>
<td>Teens</td>
<td>$0.50</td>
<td>$8.00</td>
</tr>
<tr>
<td>Child</td>
<td>$0.10</td>
<td>$4.00</td>
<td>Children</td>
<td>$0.50</td>
<td>$8.00</td>
</tr>
</tbody>
</table>

The new rate will help ensure that these high demand materials are returned more quickly and are available for use by other borrowers. Many large Canadian public libraries apply higher fines rates to such high demand materials.

**Suspension of borrowing privileges**

(Section 1.13 and Schedule sec. 1.5) There are a number of changes recommended to the policies regarding suspension of borrowing privileges.

Currently, borrowing privileges are suspended when a customer has:
- more than 10 items overdue, or
- more than $30.00 in fines or charges, or
- more than 10 reported/claimed returns, or
- any item overdue more than six weeks, or
- any fines or charges for more than six weeks.

The Library recommends increasing the number of overdue items a customer can have before privileges are suspended. Currently privileges are suspended when a customer has more than ten items overdue. For high volume borrowers (e.g. parents who borrow many picture books) this threshold is problematic as they cannot renew the materials online if they are late, and therefore they continue to incur further fines until they are able to come to a branch during open hours. The Library recommends that this threshold be increased to 15 items overdue.

The Library is recommending an adjustment to the suspension of privileges for fines that are unpaid for more than six weeks, so that it exempts small fines (those under $5.00). In June 2010, Toronto Public Library reinstated the suspension for fines of less than $30.00 that were not paid within six weeks. Overall this policy has been accepted well by customers, with the exception of truly small fines. The Library has received numerous complaints from online customers who have been blocked from online services such as placing holds and renewing materials because they owed fines of less than $5.00 for longer than six weeks.

New language has been added to Section 1.14 of the policy requiring that all fines and fees be cleared as a condition of the annual card renewal, to reflect current practice. These two changes (exempting small fines from the six-week payment requirement and requiring that fines are completely cleared as a condition of annual library card renewal) are expected to be revenue neutral when combined.
Non-resident fee

(Section 1.1 and Schedule sec. 5.1) The Library recommends increasing the non-resident fee to $30.00 for three months. The current non-resident rate is $25.00 per three-month period. The increase in the non-resident rate reflects the amount the average household in Toronto now pays for library services through property taxes ($114 per year).

Revised language in Section 1.1 clarifies that non-resident privileges can only be purchased for three months at a time.

Collection agency

(Section 1.14 and Schedule sec. 4.4) In 2002 the Board approved the use of a collection agency service to collect unpaid fines and recover materials from borrowers when the unpaid amount owing is $50 or more. It also approved a fine of $10 to those customers whose accounts are turned over to a collection agency. No changes have been made to the parameters since 2002.

At this time the Library is recommending the following changes:

- reduce threshold for accounts turned over to the collection agency to $40.00;
- increase the fine for accounts of more than $40.00 that are turned over to the collection agency to $15.00;
- utilize the collection agency’s “Small Balance Program” twice a year to recover long overdue amounts between $10.00 and $39.99;
- introduce a new fine of $5.00 for accounts of less than $40.00 that are turned over to the collection agency.

The Library recommends that adult accounts be turned over to the collection agency when the amount owing is $40.00, down from the current $50.00. This too is consistent with the practice in many other Canadian libraries. The Library will continue to exempt teens’ and children’s accounts from the collection agency.

The current fine for accounts turned over to the collection agency ($10) is low compared to other Canadian libraries. The fine offsets what Toronto Public Library pays the vendor for supplying the services.

The Library recommends utilizing a service provided by the vendor, the “Small Balance Program”, to encourage adults with long-standing overdues with low balances (under $40.00 but more than $10.00) to clear their accounts in full, and therefore be able to begin using the Library again. These accounts would be subject to a collection agency fine of $5.00.

Renewal of library materials

(Schedule sec. 3.4) A minor change is recommended, to allow pedometers to be renewed for two standard loan periods. Pedometer lending is a co-sponsored service with Toronto Public Health (TPH). TPH has requested this policy change. There are sufficient numbers of pedometers available in branches’ collections to accommodate such renewals without adversely affecting availability.
**Book sale prices**

(Schedule sec. 6) In-branch book sales, consisting of withdrawn library materials and donated materials that cannot be used by the Library, are a source of revenue for Toronto Public Library that net approximately $93,000 per year. Book sale prices have not increased since 1999.

The Library recommends that the price for most items (books, DVDs, CDs) be increased to $2.00 from the current $1.00 price, and that the price for mass market paperbacks be increased to $1.00 from the current price of $0.50. (Note: In addition to local branch sales, the Toronto Public Library Foundation sells surplus and donated materials through Friends’ bookstores at TRL and NYCL.)

Cassettes have been deleted from the list of prices because the format has been eliminated from most collections.

**Email pre-notification of due dates and online payment**

Email pre-notification of due dates and online fines payment will be introduced in the near future for Library customers. These services are not part of the Circulation and Collection Use (including Fees and Fines) Policy, but they are relevant to customers in the application of this policy and the implementation of the fees and fines increases recommended in this report.

*Email pre-notification*

Email pre-notification assists borrowers, on an opt-in basis, in managing their accounts by alerting them two days in advance of upcoming due dates for materials.

The Library receives many requests for this service. The demand is growing as the service is becoming more common among public and academic libraries in Canada. The demand is particularly apparent among heavy users of the Library’s online services.

Based on the experience of other libraries that provide this service, the Library anticipates occurrence of overdues will decrease, and fines revenues will therefore decrease as a result. However, it should be noted that the purpose of fines is to encourage the prompt return of materials to make them widely available to the community. Email pre-notification of due dates supports this goal. Furthermore, given the proposed increases in fines recommended in this report, this service provides an important tool to help borrowers manage their borrowing and avoid fines.

*Online Fines payment*

The Library is currently developing an online payment option for fees and fines. This initiative was brought to the Board at the June 2011 meeting within the context of the Virtual Services capital project.

For the public, online fines payment provides a convenient method of clearing up accounts from home 24/7/365, and resolving suspensions of accounts without needing to
come into branches. Online fines payment improves the Library’s ability to collect fines, and reduces cash-handling in branches.

The Library is recommending that a service charge of $1.00 be added to each online payment transaction, to offset banking charges incurred by the Library (Schedule sec. 5.12). This is consistent with the City’s Parking Authority practice for payment of parking tickets online.

CONTACT

Katherine Palmer; Director, Planning, Policy, and E-Service Delivery;
Tel: 416-395-5602; Fax: 416-393-7083; Email: kpalmer@torontopubliclibrary.ca

SIGNATURE

_______________________________
Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Revised Circulation and Collection Use (including Fees and Fines) Policy