

**Circulation and Collection Use (including Fees and Fines)
Policy – 2015 Review**

Date:	April 20, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to recommend changes to the Circulation and Collection Use (including Fines & Fees) Policy.

The Circulation and Collection Use Policy is intended to maximize use of library materials and make them widely available to the community; facilitate requests for library materials by customers; and retrieve overdue materials. The policy establishes eligibility and customer age criteria; loan periods and other limits on collection use, fines and fees, and suspension penalties. The policy is reviewed on an annual basis to ensure it continues to be responsive, effective and relevant. The focus of the review for 2015 has been to identify opportunities that support access to library collections, provide greater clarity on a range of policy items and update the policy to reflect changes in library service.

Highlights of this report include:

- changes to non-resident card options;
- increase in renewal limits for most physical items;
- increase in the maximum number of holds at one time;
- application of a fine for reference loans not picked up;
- clarification of conditions leading to the suspension of borrowing privileges;
- clarification of the threshold at which accounts are referred to collection agency and integration of the Small Balance Program;
- revised language to:
 - support access to library collections;
 - align policy with current terminology;
 - provide greater clarification;
 - reflect recent changes in library service.

A copy of the policy with the proposed revisions is attached.

RECOMMENDATIONS

The City Librarian recommends the Toronto Public Library Board:

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

FINANCIAL IMPACT

Increasing the limit on item renewals would likely result in a decrease in fines revenues since the policy change provides customers with another tool for managing their account. Based on the number of items renewed twice and that subsequently went overdue, it is estimated fines revenue may decline by 2% or approximately \$27,000.

The Circulation and Collection Use (including Fees and Fines) Policy – 2014 Review report identified a number of trends affecting fines revenues such as customer behaviour, which seems to indicate customers are responding to higher fines by managing their accounts more effectively to avoid incurring them, and e-circulation, which does not generate fines. These trends are expected to continue in 2015.

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

Implementation Points

Following Board approval, implementation of the policy changes will be completed in the Third Quarter 2015. An online copy of the revised policy will be made available for the public on the Library's website at www.torontopubliclibrary.ca.

DECISION HISTORY

The Circulation and Collection Use Policy requires a regular policy review to ensure fines, fees, loan periods and limits are reasonable, effective and consistent with other nearby libraries. Typically, this review is conducted annually.

In 2011, an extensive review of the policy was undertaken that resulted in significant changes to the fines and fees, including:

- a change in the fine structure so 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.

Also in 2011 the Board approved a new fine for holds not picked up by customers.

The Circulation and Collection Use Policy was reviewed twice in 2013 and resulted in minor changes to eligibility, loan periods, and a fee of \$0.50 for online payments was introduced. This review included an analysis of the impact of changes approved in 2011. The report noted circulation declined since the introduction of the changes, with significant decreases in children and teen material, which can be attributed, in part, to higher fines along with other factors.

The policy was last reviewed by the Board on April 28, 2014:

<http://www.torontopubliclibrary.ca/content/about-the-library/pdfs/board/meetings/2014/apr28/09.pdf>.

The focus of this review was to report on the ongoing impact of previous policy changes on total fines revenues and to recommend changes to support the delivery of new services such as the Digital Innovation Hubs and Print on Demand. New fees were implemented to account for equipment lost, damaged, or returned late, as well as other changes to the policy to support delivery of these new services.

ISSUE BACKGROUND

The Circulation and Collection Use Policy applies to users of Toronto Public Library (TPL). It covers activities related 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. Fines are applied to late materials to encourage prompt return and ensure access to materials, or to lost items. The schedule of fees and fines also includes some charges and fees not specifically related to circulation and collection use, for example, digital reproduction.

Fines are intended to serve as an incentive for prompt return of material and can help to modify customer behaviour, of which the Holds Not Picked Up fine is a good example. They are not, however, a driver of circulation.

As previously stated, the policy has undergone significant change in recent years in response to revenue and budget concerns. The result has been higher fines for customers, new fines, and additional programs to assist the Library on following up on outstanding accounts. Higher fines have not resulted in increased overall revenues, but they have had an impact on customer behavior, especially for children and teens, and on family use of library collections. The accrual of fines or the potential fear of fines has become a barrier to use for some customers, particularly those living in neighbourhood improvement areas. Strategies such as the Library Access – Fine Forgiveness Program, scheduled to begin in the Second Quarter 2015, can serve a way to overcome these barriers.

The policy continues to be reviewed on a regular basis to ensure it remains responsive, effective and relevant. The focus of the review for 2015 has been to identify opportunities to

support access to library collections, to provide greater clarity on a range of policy items, and to update the policy to reflect changes in library service.

The review in 2016 will likely be influenced by the Library's new strategic plan, major City initiatives, such as the Poverty Reduction Strategy, and the larger trend in the library community towards the elimination of barriers to library service. Major Canadian library systems such as Vancouver, Edmonton, and Calgary, have made strides in this area.

COMMENTS

Recommended Policy Changes - 2015

Non-Resident Card Options

It is recommended a 12-month non-resident membership for \$120 be introduced.

A non-resident is an individual who does not work, live, own property or attend school in Toronto and may borrow materials from the Toronto Public Library by paying a non-refundable fee. Non-resident privileges can be purchased for a three-month period at a time for \$30.

Public libraries typically offer some form of non-resident membership to persons living outside of their service catchment. Membership ranges from three months to 12 months, and usually provides access to a full range of library service. A fee is charged, usually per person. In a few cases, like Ottawa and Toronto public libraries, membership is applied to the household or family. The fee is based on the amount residents/property owners pay for library service through their taxes. The fee charged by TPL has been reviewed recently and it continues to reflect the current tax rate.

In the GTA, most library systems offer non-resident membership on an annual basis. A few examples include Mississauga, Burlington, Hamilton, Vaughan and Markham public libraries.

Customer feedback suggests there is small but steady demand for an annual membership option. Annual membership supports efficient workflows in that the card renewal process occurs only once a year. Customers are required to pay the membership fee in full at the time of registration or card renewal.

A system snapshot taken on January 8, 2015, indicates 1,275 TPL card holders have non-resident status.

Renewal Limits

It is recommended renewals for physical items be increased from two to three, with the following exceptions:

- DVDs (except for new Feature DVDs, which may not be renewed), magazines and Best Bets, which remain at two due to high demand;
- music scores, which remain at two to support a specialized service;
- digital equipment, which remains at two hours, subject to demand;

- Museum and Arts Pass, which remains at none due to high demand.

Increased renewals promote use of the Library's physical materials and address customer need. Customer feedback indicates there is demand for the service, and customers would welcome the opportunity to renew items an additional time.

Increased renewals shift decision-making to the customer, and support self-service, which is especially important in a growing online service environment.

Efficiencies resulting from the introduction of the Ellesmere sorter and implementation of the fine for holds not picked up mean materials move quickly through delivery system, and support the selection of on-shelf material for customers who prefer to browse.

A scan of circulation policies at other GTA library systems reveals that the trend towards higher item renewal limits has started. Brampton and Markham public libraries offer unlimited renewals while Oshawa and Whitby public libraries offer up to three renewals.

Holds

It is recommended the maximum number of holds at one time be increased from 60 to 100.

Increasing the holds limit supports access to library service and promotes use of the Library's physical collections. Like increased renewals, this change improves access to library collections.

Placement and pick up of holds are drivers of circulation. Customers who visit the Library to pick up holds are likely to borrow additional materials they find on the shelf. A system snapshot taken on March 6, 2015, shows the 6,042 adult card holders, who picked up at least one hold that day, borrowed a total 19,059 additional items.

This change meets demand from a small but active group of customers. A system snapshot dated February 5, 2015, shows approximately 2,940 customers have 40+ active holds on their accounts.

The risk to the Library associated with this change is low. For customers, options are available so they can manage their holds to avoid fines.

In the GTA, many library systems, including Milton, Mississauga, Oakville, Pickering, Vaughn and Whitby allow up to 100 or more holds at time.

Holds Not Picked Up Fee

It is recommended the \$1.00 fine for holds not picked up be extended to apply to any reference loan not picked up. Research and Reference (R&R) reference loans are an expansion of the Library's holds service and now available to customers across the system.

The R&R Reference Loans Pilot started June 27, 2013, and was evaluated after one year. The result of that evaluation is the service be continued, with small modifications to address

problems identified through staff consultation. To be consistent with the practice for holds not picked up and items requested through inter-library loan, it is recommended the same fine now be applied to the accounts of customers who do not pick up any items requested and delivered through the reference loans process.

Suspension of Borrowing Privileges

The policy currently describes two conditions under which borrowing privileges are suspended: one relates to the amount of fines owing, and the other relates to the number of admissible overdue items. It is recommended the description be expanded to include conditions that exist for customers whose accounts have been referred to collection agency and for customers who have received six and 12-month system-wide exclusions.

Additional information about these types of suspension provides greater clarity about circumstances under which a customer may or may not be able to borrow library materials.

Collection Agency

It is recommended updated information about the threshold at which a customer account becomes eligible for referral to a collection agency is included in the policy. With the introduction of Small Balance program in 2012, customer accounts are referred to the collection agency when they exceed \$10.00 or more in outstanding fines and fees. It is recommended statements referring to the processing cycle of Small Balance accounts be removed as they relate to operations.

Changes to Policy Language

A number of revisions to policy language are recommended emphasizing access to library collections and providing greater clarification.

The proposed description for the Library's extended loan service highlights access to library materials and reflects a customer-oriented approach.

The revised description for overdue fines explains they serve as an incentive for prompt return, helping to ensure the availability of materials for other customers.

The Library recommends replacing the term, "Special Needs Customers" with "Persons with Disabilities". The purpose of this change is to align policy language with current terminology and to provide greater clarity. The status would continue to be available to persons with physical, mental and cognitive disabilities or disabilities resulting from an accident or illness. The recommendation is the result of consultation with the Accessible Services and Older Adults Committees.

Other policy changes relate to changes in library service. Pricing for Digitization on Demand has been clarified to indicate costs include a base charge of \$25 per full book, plus an additional charge of \$0.15 per page. TPL's Print on Demand service now has a new name, "Asquith Press".

CONCLUSION

The focus of the 2015 circulation policy review has been to identify opportunities that support circulation and access to library service, provide greater clarity, and update the policy to reflect changes in library service. Recommended changes, like increased renewals and increasing the holds limit, improve access to library collections. Proposed changes to policy language are intended to better explain the parameters for library service, and to reflect changes in service. Other changes, such as the introduction of a 12-month membership, support efficient workflows.

The review process will continue in 2016 and likely be influenced by such factors as the Library's new strategic plan, City of Toronto initiatives, such as the Poverty Reduction Strategy, and the larger trend in the public library community towards the elimination of barriers to library service, as well as a review of the fines exempt status for volunteers.

CONTACTS

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SIGNATURE

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ATTACHMENTS

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