



STAFF REPORT INFORMATION ONLY

12.

2013 Fines Waived

Date:	November 17, 2014
To:	Toronto Public Library Board
From:	Acting City Librarian

SUMMARY

The purpose of this report is to respond to a Toronto Public Library Board motion from the meeting of May 26, 2014, for staff to report on fines waived in 2013. This report also provides further information about the context for the waiving of fines for Library customers.

As a public institution, the Library strives to achieve fiscal responsibility and accountability with a strong public service mandate. The waiving of fines is taken seriously and applied with discretion and only in special circumstances. Staff receive training to support effective interactions with customers. A process is in place which involves staff at different levels to support decision making around waiving, depending on the amount of the fine involved and complexity of the customer issue. Waiving activity is monitored on an ongoing basis to ensure that the Library operates within established benchmarks, and follow-up action is taken with locations that do not meet the benchmarks.

In 2013, 75% of waiving was to assist customers in difficult situations, many of whom are children and teens. Extreme weather conditions was another factor, which led to emergency branch closures and created treacherous travel conditions for customers. The other 25% of waives was to correct billing errors. Overall, the total amount waived in 2013 was \$375,521, down \$43,892 or 12% from 2012.

FINANCIAL IMPACT

The long-term trend of waiving fines and fees has been downward. Since 2002, the waiving of fines and fees for late and lost materials has decreased by \$57,461 or 13% despite an increase in circulation of 10% and an increase in total fines collected annually of \$414,287 or 16%. The waiving of fines is an effective strategy that enables the Library to collect some revenue and get materials returned, while at the same time allowing customers to continue to borrow materials.

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

DECISION HISTORY

A report on Accounts Written-off in 2013 was presented to the Library Board on May 26, 2014, which detailed accounts written off during the year and also identified amounts waived by staff, which are not considered a write off. The Board adopted a motion that “*requests staff to prepare a detailed report on the \$375,521 waived by staff*”.

ISSUE BACKGROUND

The Public Libraries Act is based on a principle of free library service. Toronto Public Library’s mandate is, above all, to preserve and promote equitable, universal access to information and high-quality services and programs, in a welcoming and supportive environment. Administrative procedures, internal controls and standard revenue collection procedures, while acting as very valuable tools for the Library in maximizing revenues, must be carefully balanced against this mandate. Since 1998, the Library has focused on and significantly improved its collection processes, policies and procedures to achieve the complementary objectives of customer retention, operational efficiency and revenue maximization.

Context for Waiving

Fines are charged as an incentive to encourage the return of library materials on time. While staff training stresses the message that the customer fine should be paid in order to continue receiving Library service, the occasional waiving of fines serves very practical and pragmatic business and financial purposes. Used appropriately, waiving is an effective strategy that promotes financial accountability and at the same time encourages and allows customers to continue using the Library. Waiving provides staff with a means to support individuals coping with socioeconomic challenges and accessibility issues, who may otherwise be denied service.

The waiving of fines can also be used to support implementation of new fines and fees by providing a transition period for customers to receive notice.

The partial waiving of fines enables the Library to collect some revenue and get materials returned, while at the same time allowing customers to continue accessing library services. The number of customers that are no longer using the Library because of outstanding fines is increasing and is a concern for TPL. Currently 65,805 customers cannot borrow materials because of outstanding fines and fees. These are customers who have opted out of library service rather than pay their fines, and a large proportion are children and teens.

Monitoring of Waiving Activity

The Library tracks the collection and waiving of fines on a system-wide basis to ensure that it operates within established benchmarks on fines revenue and location performance. Managers follow up with locations requiring remedial action.

Staff Training

Training is delivered to front line staff to support fines collection, policy application and customer service. In addition, managers and supervisors receive training on fines collection which includes decision making on the waiving of fines. A key message delivered through training is that waiving is permitted only in an exceptional situation.

Waiving Process

Several levels of staff may be involved in a decision to waive, depending on the circumstances and amount proposed to be waived. Front-line staff working on the circulation desk serve as the first point of contact. Depending on the situation and if warranted, front-line staff may waive small fine amounts.

If the waive involves a larger amount or if the customer's situation is complex, front line staff are instructed to consult with the supervisor or branch head. The supervisor or branch head will discuss the circumstances that led to the fine with the individual, check the customer record and history, and if warranted, may negotiate an arrangement, which might include the return of the material, a specific amount to be paid and an amount to be waived. This approach is used because it ensures that some revenue is collected, retains the customer and allows the customer to continue to borrow materials.

If the waive is significant, the supervisor will consult with a manager, who at that point will investigate the situation thoroughly and make a decision on how to resolve the matter.

Payment Plans

Waives are sometimes used to negotiate payment plans. This is helpful for customers who cannot pay the full amount immediately, and enables the Library to collect some money and retain the customer. If payment plans, sometimes involving a partial waive, were not available, many customers would be blocked from library services and revenues foregone.

Documentation

All waives are recorded in Symphony, the Library's automated system, under one of two pre-set reasons: 1) Waive Error, which results from an error on the Library's part such as keying input error or incorrect information, errors relating to manual check in and system downtime, or; 2) Waive Forgiven, which results from a compassionate decision to forgive a fine or relates to the introduction of a change in fines rate, structure or policy. Significant waives are reported to senior staff involved in system level monitoring.

Customer Information and Support

When interacting with customers, staff provide information and support on the options available to manage accounts and avoid incurring fines, such as pre date-due notification, holds pick-up notification, due-date slips, and online and telephone renewals.

Through this framework of monitoring, training, procedures, documentation and customer service, TPL supports consistent application of fines collection procedures and follows up when unusual situations arise.

COMMENTS

Trends in Waiving

Long-Term Downward Trend

The long-term trend of waiving fines and fees has been downward. Since 2002, the waiving of fines and fees for late and lost materials has decreased by \$57,461 or 13% despite an increase in circulation of 10% and an increase in total fines collected annually of \$414,287 or 16%, suggesting that staff training on fines collection has been effective.

Year	Total Fines Collected	Total Fines Waived	Circulation
2002	\$2,582,814	\$432,982	29,224,857
2013	\$2,997,101	\$375,521	32,145,021
\$ Inc (Dec)	\$414,287	(\$57,461)	2,920,164
% Inc (Dec)	16%	(13%)	10%

Recent Trends

A comparison of more recent figures reveals a couple of important trends. First, there was a spike in waiving in 2012 that resulted from the introduction of a new fine for Holds Not Picked Up and changes to the fines structure implemented during the year. These changes resulted in both increased fines revenues as well as associated waiving activity. Secondly, the long-term downward trend in waiving has resumed in 2013, with a decrease of \$43,892 or 12% from the previous year.

Year	Total Fines Collected	Total Fines Waived	Circulation
2012	\$3,418,268	\$419,413	32,032,036
2013	\$2,997,101	\$375,521	32,145,021
\$ Inc (Dec)	(\$421,167)	(\$43,892)	112,985
% Inc (Dec)	(12%)	(12%)	0.4%

2013 Highlights

Compassionate Waiving

In 2013, the waiving of fines for compassionate reasons was \$280,280, or 75% of total waives. The waiving of fines allows staff discretion in dealing with individual situations that most often relate to: socioeconomic challenges; medical emergencies; and accessibility issues related to age, mobility, or cognitive or mental health challenges.

Billing Errors

Waives are a means to correct billing errors that arise from misunderstandings, data entry errors, or outdated customer account information. In total, billing errors represented \$95,241, or 25% of total waives. It is important to note that monies waived due to billing errors are corrections and do not represent lost revenue.

Measures to minimize billing errors include:

- staff training;

- the annual card renewal process which provides an opportunity to update customer account information and resolve outstanding fines;
- automated check in, which supports accurate returns and has been expanded to eleven locations across TPL; and
- procedures to ensure that drop boxes are always accessible after hours.

Children and Teens

In 2013, \$131,430, or 35% of total waives, were made for child and teen card holders. Unlike the previous year, no Teen Fines Forgiveness campaign was offered. The *Circulation Policy & Fines Revenues Review – 2014* report explains that in a recent analysis of card holders who are blocked from borrowing materials due to overdue fines, 84% of those accounts were associated with child and teen customers. Providing access to library service for young borrowers is a priority for the Library and investigations are underway to make it easier for parents and caregivers to manage their child's accounts. These changes will help to ensure that children can continue to borrow library materials. TPL seeks to engage the children and youth of Toronto through a wide variety of programs such as Summer Reading Club, Word Out, Kindergarten Outreach, Grade 4 Outreach, High School Outreach, and Preschool Storytime to at-risk communities and shelters. It is important that the Library shows leniency to its young customers to achieve strategic objectives related to championing the joy of reading and building literacy skills. As well, the 2015 Fundraising Priorities (see Report No. 11) includes a fine forgiveness program request.

Service Disruptions

Waives are used to deal with service disruptions resulting from localized issues and severe weather. In 2013, severe weather was a factor, which led to unplanned closures due to flooding and power outages, and created treacherous travel conditions for customers. For example, Black Creek and Richview were closed for flood repair following the rain storm on July 8. Nineteen branches were closed due to power outages relating to the ice storm on December 22.

Lost Items

Waiving of fines for lost materials decreased from \$85,193 in 2012 to \$57,154 in 2013, a decrease of \$28,039 or 33%. The change may be due in part to increasing customer use of downloadable e-materials, which cannot be lost or damaged. In 2013, TPL introduced an online magazine service to supplement its popular and highly used collection of e-books and e-audiobooks.

Holds Not Picked Up

A total of \$29,402 was waived for fines relating to holds not picked up in 2013. These waives most often relate to emergency closures, extreme weather conditions or customer accounts with outdated contact information. When interacting with customers, staff verify and update borrower records, and educate customers about managing their holds. The fine for holds not picked up was introduced in July 2012, and represented one of a number changes to the Library's fines and fees structure. It has since generated a total \$191,588 in revenues to the end of 2013. The success of this new fine is most evident in the dramatic reduction in the number of holds not picked up, from 465,991 in 2012 to 222,194 in 2013, a

decrease of 52.3%. The difference means 243,797 fewer materials sitting unnecessarily on the holds shelf resulting in more materials available for other customers to use.

CONCLUSION

The Library strives to achieve fiscal responsibility and accountability with a strong public service mandate. Waiving is an effective strategy that enables the Library to collect some revenue and retain customers. The waiving of fines is taken seriously, applied with discretion and only in special circumstances. Trends in waiving activity continue to be monitored closely and efforts are taken to ensure continued performance in this area. Additional staff training will be delivered in early 2015 on the use of the automated library system and fines collection.

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