



To: Toronto Public Library Board – September 23, 2002
From: City Librarian
Subject: **Circulation and Collection Use (including Fees and Fines) Policy**

Purpose:

To approve a revised Circulation and Collection Use (including Fees and Fines) Policy.

Funding Sources, Financial Implications and Impact Statement:

The increase in fines, if approved, will encourage prompter return of materials. It may also result in increased revenues which are difficult to quantify, but will partially offset the experienced shortfalls in fines & fee revenues.

Recommendation:

It is recommended that:

- (1) the Toronto Public Library Board approve the revised wording of the Circulation and Collection Use Policy, and that the revised policy be implemented effective November 2002;
- (2) the Toronto Public Library Board approve the following changes to the Fees and Fines Schedule:
 - (a) increase the maximum fine rates for adults to \$10.00 per item (currently \$7.00);
 - (b) delete the lump sum payment option;
 - (c) increase the fee for a replacement card to \$2.00 (currently \$1.00) for adults and \$1.00 for children (currently \$.50);
 - (d) increase the daily fine rate for children from \$.05 to \$.10 per overdue item, and the maximum per item to \$4.00 (currently \$2.00);
 - (e) introduce a copy card charge of \$1 per card;
- (3) the Toronto Public Library Board approve the use of a collection agency to collect unpaid fines and recover materials from adult borrowers when the amount owing is \$50 or more;
- (4) an additional \$10 fine be charged to those customers whose accounts are turned over to a collection agency;

- (5) the Toronto Public Library Board approve the IntelliSearch fees (Section 8 of the Fees and Fines Schedule); and
- (6) the Toronto Public Library Board approve the Photographic and Digital Reproduction and the Digital Design Studio fees (Section 9 of the Fees and Fines Schedule).

Background:

The Circulation Policy is reviewed regularly to ensure that practices and schedules are current and meet the changing needs of the Toronto Public Library and its customers. The Board last reviewed and approved revisions to the policy at its meeting of September 21, 1999. This report presents recommended revisions which reflect the needs of the current environment.

Comments:

A staff committee reviewed the current Circulation Policy, including fees and fines; conducted a survey of the circulation policies in nine other large Ontario public libraries; received staff input; and developed recommendations that are summarized below. The changes are underlined and deletions are indicated in the attached copy of the policy (Attachment 1).

Language Changes:

- The language of the policy has been amended to reflect the changing nature of the collections and their use, especially electronic resources. Parameters for new collections, such as electronic books, have been added and the title of the policy has been revised. Some language has been simplified to improve understanding by both customers and staff.
- One paragraph of the Freedom of Information and Protection of Privacy, Section 1.4, has been amended to reflect the actual language of the legislation; there is no change to the intent of the policy.
- The timeframe for the purging of fines and damaged/lost items reflects the actual automated procedure; there is no change to the intent of the policy.

Customer Categories and Registration:

- The Customer Categories Section has been simplified to two categories of card eligibility, *Resident* and *Non-resident*, and to two customer categories, *Adult* and *Child*. The remaining categories enable staff to administer the policy within pre-determined parameters, and have been moved to the *Circulation Procedures Manual*.
- Non-resident cards will be renewed on a quarterly basis.

Other Changes:

- To accommodate people, usually families, who wish to pick up items or review items outstanding for each other, authorization for one customer to have access to another customer's record upon the signing of a consent form by both parties, has been added.
- The time period and retention of information messages in customer records has been noted.

Changes to the Fees and Fines Schedule:

The purpose of overdue fines is to encourage customers to return items on time so that materials will be available to other customers. Children's fine rates have not changed since amalgamation while the adult fine rate increased from \$.20 to \$.25 in August of 2000.

The purchasing power of the Library Materials Budget has been reduced significantly in recent years resulting in fewer materials available to the public. Circulation has increased 16.8 percent and holds have increased 77 percent in the last three years, resulting in increasing pressure on collections.

The Library has implemented several service enhancements enabling people to easily renew materials which have no holds, thereby assisting customers in preventing the accrual of fines. Most Library materials circulate for three weeks with the option of two renewals for a total of nine weeks. The Library has improved its renewal service - customers can renew materials using the online catalogue from home or in the Library, by telephone, by dial-in, or by asking staff. With the online system, customers can track the due dates of their items and renew conveniently.

Items may now be returned and/or renewed at any branch in the Toronto Public Library system. Staff at any location can assist customers with their borrowing records. The number of bookdrops, which enable the return of materials at anytime, has increased to 94 locations across the system.

Those individuals who return materials according to established policy will not be affected by any changes to fine rates. Supervisors are authorized and expected to exercise discretion in exceptional situations.

The Fees and Fines Schedule was reviewed in the context of a survey of the practice of other Ontario libraries, an analysis of the monies owed by patron type, and consultation with appropriate staff.

All the surveyed Ontario public libraries have either higher adult and children's fines and/or higher maximum rates on audio/visual materials, and therefore higher fine rates overall than Toronto Public Library. (*see Charts 1 & 2*).

Recommendations:

- Increase the maximum fine rates for adults to \$10.00 per item (currently \$7.00).
- Delete the Lump Sum payment option. Currently customers who return all overdue items at one time are charged a flat rate of \$10 for children and \$30 for adults, regardless of the actual fines owed. No other surveyed library offers a Lump Sum option.
- Increase the fee for a replacement card to \$2.00 (currently \$1.00) for adults and \$1.00 for children (currently \$.50). Toronto Public Library currently charges the lowest of all the surveyed libraries.
- Increase the daily fine rate for children from \$.05 to \$.10 per overdue item, and the maximum per item to \$4.00 (currently \$2.00). Only two surveyed libraries have as low a daily fine rate as Toronto Public Library and they have higher rates for audio/visual materials. The average Ontario fine rate is \$.14 per item to an average maximum of \$4.10.
- Introduce a copy card charge of \$1 per card. This new charge is being recommended to recover costs & deter customers from discarding cards.

Use of a Collection Agency:

The parameters within the Circulation Policy set out the rules for the loan and return of Library materials and are designed to make Library collections broadly available. Customers are notified by telephone and mail about overdue materials and are charged replacement fees when materials are not returned. Staff has investigated ways to ensure more Library materials are returned and additional unpaid fines are collected. The result of this review is the recommendation to engage the services of a collection agency.

There are a number of library systems that use collection agencies in the United States with Canadian examples including Edmonton, Mississauga, Brampton, Belleville, Aurora and most recently, Winnipeg. In the majority of cases, the use of collection agencies is very successful, particularly in recovering library materials. The recommendation to engage the services of a collection agency is based on the premise that TPL would continue with its current notification process and use a collection agency as a last resort.

The collection agency process usually involves a series of telephone calls, letters and sometimes credit reporting. Many libraries use a flat fee payment option while some pay the collection agency based on a contingency fee. If the Library Board approves the use of a collection agency, TPL would issue an RFP and select a collection agency based on the most advantageous pricing, experience with Library accounts and processes used to collect unpaid fines and recover materials.

Staff has undertaken detailed cost analysis based on TPL's recent experience recovering materials and collecting fines. Projections indicate that the use of a collection agency would be at a minimum budget neutral and could result in increased revenue of as much as \$100,000 annually. The additional \$10 fine to customers when accounts are turned over to a collection agency is recommended to recover costs associated with the use a collection agency.

TPL's current notification process involves the following:

- 1st telephone notification at seven days overdue;
- 2nd telephone notification at 21 days overdue;
- mailed notification with costs to replace materials at six weeks overdue;
- replacement costs added to customer record at eight weeks overdue;
- 2nd mailed notification at eight weeks if value of materials or overdue fines are greater than \$10.

This process is quite successful. Experience in the past two years indicates that:

- more than 50 percent of overdue items are overdue fewer than 15 days; more than 70 percent are overdue fewer than 51 days;
- of long overdue materials, 55 percent are recovered. Approximately 25,000 items are not recovered annually. This represents less than 1/10th of one percent of annual circulation.

Nevertheless, the value of outstanding fines is not insignificant.

- For 2001, adult customers owed approximately \$580,000 or 70 percent of all outstanding fines. This represents both unpaid fines and the value of long overdue materials not returned.

IntelliSearch:

IntelliSearch is the Library's fee-based research and document delivery service. It provides custom research services to individual and corporate Library users on a full cost recovery basis. A schedule of fees was established when the service was inaugurated in 1996. As part of the 2001 budget process, fees for rush service, obituary searches and fax charges were increased on a trial basis to increase revenue while sustaining usage levels. These increases have not been a barrier to use and are recommended for permanent implementation in Section 8 of the Schedule of Fees.

Photographic and Digital Reproduction and the Digital Design Studio:

All three services share the goals of:

- providing reasonably priced services that are appealing and affordable to users;
- protecting original Library materials through the provision of high quality reproductions;
- providing services that are comparable and competitive with other locally offered services
- material and supply cost recovery;
- increasing awareness of and access to Library collections.

The three services have operated for different periods of time and with individual fee schedules. As the services provided are not dissimilar, a consolidated and consistent schedule is desirable.

Fee-for-service photographic reproduction for Library users has been available from the Toronto Reference Library for many years. Most of the reproduction orders are for material from the Special Collections department. Current fees were established in 1995 and were intended to cover material and supply costs. A review of current costs and comparative service providers supports the recommended increase in fees and the introduction of fees for custom or rush service consistent with the newer digital reproduction services.

Products and Services	Current Fees	Recommended Fees
<i>Photographic Reproduction</i>		
B&W Reproduction Prints		
5x7	\$9.00	\$12.00
8x10	\$11.00	\$15.00
11x14	\$18.00	\$25.00
16x20	-	\$40.00
Larger sizes	-	On request
Reproduction Transparencies		
35 mm	\$6.50	\$8.00
4x5	\$40.00	\$42.00
Reproduction Colour Laser Prints		
8.5x11	\$5.25	\$5.25
11x17	\$8.00	\$8.00
Surcharges		
Rush (negotiated basis)	-	+50% order cost min
Fragile/Oversize	-	+20% item cost min
Custom Work	-	\$5.00 min
Postage and Handling (Courier delivery additional)	\$3.50	\$3.50 min - Canada \$5.00 min - International

The digitization service was established in 1998 and its primary role is to convert Library collections and indexes to electronic format. With the increasing prevalence of digital information, public requests for reproduction in digital rather than photographic format have increased. Digital reproduction has been offered on an informal basis with an interim fee schedule. The interim fees set out in Section 9 of the Schedule of Fees are still current, provide cost recovery and are recommended for approval.

The Digital Design Studio was established at the Toronto Reference Library in 2001 with funding provided by Industry Canada's UrbanCAP program. The Studio offers users self-service with or without staff assistance and fee-for-service options. When the service was introduced, an interim schedule of fees was implemented following a market scan of private sector and the one Toronto Library comparator, University of Toronto. The interim fees set out on Section 9 of the Schedule of Fees are still current, provide cost recovery and are recommended for approval.

Conclusion:

Recommended changes to the Circulation and Collection Use Policy reflect the evolving service environment in which TPL staff and customers operate. The recommendations are consistent with those of other Ontario public libraries.

By engaging the services of a collection agency, TPL will be demonstrating that everything possible is being done to recover borrowed materials and collect unpaid fines. The results will be that more materials will be available for the public to borrow and fewer replacements will need to be purchased. In addition, more customer records will be cleared so that they are in good standing.

Customers are given many opportunities to resolve Library accounts. By charging an additional \$10 fine for those accounts that are sent to a collection agency, TPL will be able to recover the costs associated with use of a collection agency.

Recommended changes to the Schedule of Fees for IntelliSearch and Photographic and Digital Reproduction and Digital Design Studio are consistent with comparable services and meet the cost recovery goals established for the respective services.

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List of Attachments:

Chart 1: Comparison of Existing Adult Fines

Chart 2: Comparison of Existing Children's Fines

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

