



City of
Peterborough

To: Peterborough Public Library Board of Trustees

From: Jennifer Jones, Head Librarian

Meeting Date: May 31, 2016

Subject: Report PPL2016-024
REMOVAL OF CHARGES FROM PATRON ACCOUNTS

Purpose

A report to seek approval to remove charges from patron accounts incurred previous to January 1, 2013.

Recommendation

That the Library Board approves the recommendation outlined in Report PPL2016-24 dated 24 February, 2016, as follows:

That the Library Board approves the removal of charges incurred previous to January 1, 2013 from patron accounts.

Budget and Financial Implications

If the recommendation is adopted there would be a loss of **\$601,090.57** in potential overall revenue.

This amount can be broken down as follows:

| | 1990-2012 |
|-----------------|---------------------|
| Lost / Damaged | \$377,369.12 |
| Other Fees* | \$76,753.01 |
| Fines | \$135,553.94 |
| Miscellaneous** | \$11,414.50 |
| Total | \$601,090.57 |

**Other Fees* refers to fees charged for staff processing of lost/damaged material, lost card replacement costs, repair costs, Interlibrary Loan (ILLO) fees, etc.

***Miscellaneous* may include unpaid room booking fees, shipping costs, photocopying, printing, membership fees, etc.

Background

There are three main types of charges applied to patron accounts:

- a) **Fines:** Charged when items are returned late.
- b) **Lost/Damaged fee:** Replacement cost for lost/damaged item.
- c) **Other fees:** may include staff processing fees for replacement of the lost/damaged item, Interlibrary Loan (ILLO) charges, the fee charged for the replacement of a lost card, etc.

These charges are spread across a wide variety of accounts and patron types; including patrons who may no longer live in Peterborough, to patrons who incurred the charges as children and are now adults.

When a patron's account reaches \$10.00 in charges, they are blocked from borrowing more materials until the charges are paid down to under the \$10.00 mark. Many of our patrons exceed this amount quickly by returning a DVD late. DVDs are charged at \$1.00 per day late, and patron's are allowed up to 5 DVDs out at one time.

The Library's success rate for collecting fines and fees vs. amounts billed averages **1.36%** over the 22 years in this report. Our most successful year was 2011 when we had a *Food for Fines* event, which raised our success rate to 6.18%. (see Appendix A)

The Library works with the City's collection department and collection agency to recuperate the charges on accounts that have over \$100 worth of charges outstanding. The additional cost for this service (13% of the overall total owed) is added on to the patron's account increasing the overall total they owe.

As an additional complication, when a patron is called by the City's collection agency, the first question they ask is "What is this for?" and the answer is not always known. When the Library migrated to a new Integrated Library System (ILS) software in December 2009, this detailed information was lost. There is a record of the amounts owing and what category they were charged to (i.e.: late fine, damaged item, fee, etc.) but not the title of the item they were charged for. Patrons refute these charges with the collection agency and claim that we are making the information up. We cannot prove to them that they are responsible for these charges. Of the **\$601,090.57** outstanding, **\$307,476.43** can be attributed to unknown material titles due to this switch over. It is highly unlikely that we will be able to recuperate these charges.

In general, fines are used by the Library as a deterrent and as a consequence for returning items late, and are not a guaranteed pre-determined source of revenue. Over the past 22 years, **\$135,553.94** in fines has not been collected, but instead remains on patrons accounts creating a barrier for them to use the library. This is particularly problematic for fines that were unknowingly incurred by a patron as a child who has now returned to library as an adult.

Fees represent the costs of replacing tangible items, usually when lost or damaged, or a charge for a service such as Interlibrary Loan (ILLO). This makes up the largest portion of the total amount not collected presented in this report. These charges are also assigned by the Library as a consequence of damaging a book, for example, and are not a guaranteed pre-determined source of revenue.

Summary

In summary, these are outstanding charges that we have been unsuccessful in collecting from our patrons. They are creating barriers for borrowing, embarrassing situations at the service desks, and unnecessary stress for staff trying to collect the amounts owing.

Submitted by,

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Head Librarian

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Attachments:

Appendix A - Success rate of charges collected by year

Appendix A

Success rate of charges collected by year

| Year | Total amount billed | Payment amounts | Number of patrons with bills | Success rate (money collected vs money owed) |
|-----------|---------------------|-----------------|------------------------------|--|
| 2014 | \$48,666.70 | \$837.18 | 1360 | 1.72% |
| 2013 | \$40,411.67 | \$783.76 | 1724 | 1.94% |
| 2012 | \$47,398.35 | \$769.95 | 2188 | 1.62% |
| 2011 | \$47,724.06 | \$2,951.47 | 2194 | 6.18% |
| 2010 | \$44,884.47 | \$1,916.65 | 2228 | 4.27% |
| 2009 | \$37,154.17 | \$737.23 | 2018 | 1.98% |
| 2008 | \$37,922.42 | \$143.70 | 1867 | 0.38% |
| 2007 | \$32,395.76 | \$263.90 | 1751 | 0.81% |
| 2006 | \$40,971.47 | \$129.45 | 1930 | 0.32% |
| 2005 | \$34,483.95 | \$93.71 | 1790 | 0.27% |
| 2004 | \$35,769.00 | \$101.85 | 1841 | 0.28% |
| 2003 | \$44,537.23 | \$101.29 | 2273 | 0.23% |
| 2002 | \$33,573.73 | \$42.73 | 2146 | 0.13% |
| 2001 | \$30,146.25 | \$33.23 | 2038 | 0.11% |
| 1990-2000 | \$243,088.17 | \$253.50 | 6073 | 0.10% |
| | | | AVERAGE | 1.36% |