



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: July 5, 2021

Subject: Report CSACH21-005
Fine Free Library Service

Purpose

A report to provide background and information on the Peterborough Public Library Board's adoption of a fine-free service model.

Recommendation

That Council approves the recommendation outlined in Report CSACH21-005, dated July 5, 2021, of the Commissioner of Community Services, as follows:

That Report CSACH21-005 Fine Free Library Service be received for information.

Budget and Financial Implications

The annual Peterborough Public Library (Library) operating budget includes \$60,000 in late fine revenue each year while roughly \$45,000 is expended in indirectly related staffing costs for fines collection and administration processes. The removal of fine revenue would have a 1.83% impact on the net Library operating budget. This report provides more detail about additional strategies to offset this lost revenue item.

Background

There is a growing movement in North American libraries to eliminate late fines. Over the past several years, more than 100 Canadian public library systems have eliminated late fines for some or all types of library materials. Several library systems have

eliminated late fines entirely, including Ottawa (Jan. 2021), Vaughan (Jun. 2020), Barrie (Jul. 2020), and Ajax (Jul. 2020).

Library late fines pose significant barriers for many marginalized and low income community members, creating a library experience that is not inclusive or accessible. Based on Peterborough's demographics, there is the potential for a large group of people in Peterborough to benefit significantly from fine-free library service. For many people with low incomes or experiencing financial insecurities, the possibility of accruing debt on their library cards or their children's cards is an ample deterrent to keep them from using the library altogether.

Late fines are currently charged on all physical library material at rates of \$0.25-\$1.00 per day, depending on the material type. There are no late fines for digital materials.

The Library Board approved the Library's plan to transition to a fine-free service model on September 21, 2021.

The Pandemic Effect

In 2020, the Library budgeted \$60,000 in late fine revenue, approximately 1.83% of the total operating budget. With the impact of COVID-19 and the waiving of late fines during the pandemic period, fine revenue for 2020 was far less than budgeted.

The onset of the COVID-19 pandemic in March 2020 provided an unexpected opportunity to pilot a fine-free service model. To ensure as few barriers to access as possible during a time of significant change and uncertainty, the charging of late fines was suspended.

While there have been many fluctuating variables during this time, items have been returned regularly over the last year. There have been little to no indicators of changes in patrons' returning habits with or without the late fines in place.

The pandemic effect has also resulted in a marked decrease in library print material circulation and an increase in electronic material circulation, further reducing the future extent of late fine revenue.

In 2019, the last full normal operating year for the Library, the Library circulated 463,278 physical books and audiobooks versus 178,450 ebooks and e-audiobooks. As a recent comparison, during the two weeks of March 22 to April 4, 2021, the Library loaned 2,650 print books vs. 5,982 digital e-books.

While this data was gathered during an exceptional period in the Library's services, prior trends also support that overall borrowing of physical materials has decreased. The increase in online usage indicates a continued shift in future behaviours towards the digital environment being the more popular option.

Business Case

Studies in other libraries have found that the costs associated with collecting and processing late fines often negate or even exceed the revenues from the fines themselves. An internal analysis was conducted to assess the total Staffing costs required to process fines and manage account collections at the Library. Approximately \$45,000 was spent annually in indirect staffing costs in recent years while collecting just under \$56,000 in fine revenues.

Libraries that have already moved to a fine-free model have found that charging late fines did not actually increase material return rates and that eliminating fines does not result in an increase in late returns. Conversely, due to increased access to library materials, the fine-free model has been shown to raise borrowing rates while increasing the number of new and returning borrowers. There is an overall increase in library service use, and both staff and community members have more positive experiences at their public library.

Late fines have become a shrinking revenue source for all libraries as people move toward online resources which do not incur late fines due to the automatic return of materials. At the Library, from 2010 to 2019, there has been an 18.25% decrease in late fine revenue. As this downward trend continues and staffing costs continue to trend upward, the cost for the Library to collect late fines will exceed fine revenues within the next several years.

Under a fine-free service model, patrons continue to have the responsibility to return borrowed materials promptly. The Library's lost and damaged item fees will remain in place. Items considered to be long overdue would be marked as lost, and replacement fees would be billed according to current practices. Damaged items would also continue to have repair/replacement fees billed as appropriate.

Late fines revenue accounts for less than 2% of the Library's operating budget. The pandemic effect has demonstrated that the Library could absorb the loss of fines revenue without affecting services. Nevertheless, a variety of sustainable efforts will be pursued to offset this revenue loss, including:

- **Lost Item Fees:** It is anticipated that there will be a slight increase in lost item fees.
- **Fundraising Campaign:** The Library will run a pay-it-forward fundraising campaign as part of the shift to fine-free service. This method has proven successful in other fine-free libraries.
- **Facility Rental Campaign:** 2022 is anticipated to bring an increased demand for in-person meeting spaces. The Library has the capacity to expand facility rental marketing and promotion efforts.
- **Café Revenue:** The Library Café space will open in 2022. This will be an entirely new revenue source not previously included in the operating budget.

- **Annual Budget Surplus:** The Library has ended the last few years with a modest budget surplus, mainly due to in-year staffing turnover, offering an additional buffer against any revenue shortfall.
- **Evaluation of staffing level and skillset per shift:** As Library usage patterns change, it is important for the Library staffing model to stay current to needs and trends. Library Management will be further evaluating opportunities as staff will no longer need to be engaged in fine recovery and can be deployed to other work more closely aligned with the mission of the Library.

Summary

The community and operational benefits of a fine-free library service outweigh the financial risk of making this change. By eliminating late fines, the Library eliminates a significant barrier to access for various segments of the community, thereby supporting literacy and growth for at-risk people, families, and youth. Late fines disproportionately impact those who can least afford them while these are the very people who need the library's services most.

In addition to community benefits, the valuable Staff time currently being consumed in the administration of library fines will be redirected toward pursuing the Library's more meaningful mission-driven goals.

Libraries that have moved to a fine-free model have reported noticeable increases in borrowing rates and membership rates as a result. This increase in foot traffic in the downtown area will further benefit the downtown economy.

By eliminating late fines, the Library will better support literacy and learning in Peterborough, reduce unequal barriers to access, and significantly improve the public-library relationship within our community.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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