



Audit, Finance & Enterprise Committee Report

Date: March 5, 2020
To: Audit, Finance & Enterprise Committee
Through: Natalie Lewis, Deputy City Manager
From: Heather Wolf, Library Services Department Director
Tony Garvey, Library Services Management Assistant II
Subject: Recommendations to Library Services Fees and Fines

Purpose

The purpose of this report is to recommend modifications to the Mesa City Council with proposed changes to the Library Services Department's Schedule of Fees and Charges. After comparing the Mesa Public Library with other area libraries and researching national trends, staff recommends eliminating of the following fees and fines:

- Overdue fines
- Collection agency fee

Staff recommends that all overdue fines that have been accumulated by users of the Mesa Public Library be waived and no new overdue fines added to Library user accounts. It is recommended that the collection agency fee also be eliminated, as any accounts with \$50 balances or more will no longer be sent to an external collection agency. Instead the Library will expand its partnership with the City's Tax Audit and Collections team who currently perform collection services on high value delinquent accounts for the Library. There will still be fees for unreturned and damaged items.

Background and Discussion

The Library Services Department annually reviews fees and fines to ensure that Mesa is consistent with other valley cities and are being set at market rate. In 2019, the two largest Library systems in Maricopa County eliminated overdue fines: Maricopa County Library District and the City of Phoenix. The City of Tolleson also eliminated overdue fines.

As a result of the publicity surrounding the "fine free" changes at these library systems, Mesa Public Library has received customer requests to eliminate overdue fines.

Traditionally, libraries have used overdue fines to encourage the timely return of library

materials. However, there is little evidence that fines have any effect on the return of late items. In fact, the research has found that fines create a barrier to library use for low-income families and children.

Mesa Public Library staff reviewed our blocked accounts. Currently, more than \$10 in fees or fines will result in a cardholder being blocked from utilizing Library services such as checking out books and DVDs or using online resources.

Over the years, Mesa Public Library realized our community was having difficulty paying overdue fines. In 2008, we implemented the Food for Fines program every April and in 2011, we began to offer Read Down Your Fines for children every December. In 2015, automatic renewal began. An item will automatically renew up to four times as long as no one is waiting for the item.

Despite these popular programs, we found that 14% of all juvenile accounts are blocked and 8.7% of adult accounts are blocked. And while juvenile accounts represent less than 18% of all library cards, they account for 25% of all blocked cards. This means almost 3,000 Mesa children have a library card that they are unable to use.

Over 200 public libraries in the US are fine free. This includes major metropolitan systems such as Denver and Chicago. In 2017, Salt Lake Public Library eliminated overdue fines which resulted in an increase in cardholders, circulation, and number of items returned. Mesa Public Library staff believe that eliminating overdue fines would provide similar results in Mesa.

Alternatives

One alternative would be to keep overdue fees and fines in place. Doing so will keep the status quo, resulting in revenue of roughly \$45,000. However, this alternative does not account for potential user loss to other Library systems which are “fine free.” Any reduction in cardholders impacts the funds Mesa Public Library receives through the Maricopa County Library District’s Library Assistance Program. The number of library cardholders is 60% of the formula used to calculate each library’s share of \$3.7 million. For FY 2019/20, Mesa’s share is \$383,526.

Fiscal Impact

The net impact to the general fund will be a loss of roughly \$30,000. Annually, the Library Services Department brings in \$45,000 in Overdue Fines and \$6,000 in Collection Agency fees. The Library Services Department pays the collection agency roughly \$21,000.

This fiscal impact does not take into account any additional revenue the department will bring in due to former users coming back into the library to clear up their accounts now that overdue fines are removed, any books that have not been returned that may now be returned, and new or former users that may utilize the Library, increasing the Library’s portion of Maricopa County Library District’s Library Assistance Program funds.

Coordinated With

The recommended fees and charges were coordinated with the Library Advisory Board and Office of Management and Budget.

Fees & Charges Schedule – Key

Heading Configuration

<u>Schedule of Fees & Charges</u>
Department
Contact Information
HEADING 1
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

Font Indications

Font	Font Indications
Regular Font	Existing fee or language
Strikethrough	Fee or language will be deleted from the Fee Schedule
BOLD CAPS	Language is being added to Fee Schedule
Bold	New or increased Fee Amount

