



**City of Scottsdale
Library Board
Work Study Session Minutes**
Wednesday, November 6, 2019
Civic Center Library
3839 North Drinkwater Boulevard
Scottsdale, AZ 85251

Present: Chair Teresa Kim Quale, Vice Chair Shiela Reyman (arrived at 4:04 p.m.), Board Members Sheila Collins (left at 5:27 p.m.), Marna McLendon, Janet Smigielski, and Ruth Wachs (left at 5:27 p.m.)

Absent: Allegra Fullerton

Staff: Kira Peters, Library Director; Managers Melissa Orr, Beckie Gallivan Butler, Mandy Carrico, and Assistant City Manager Bill Murphy

Call to Order

Chair Quale called the meeting to order at 4:00 p.m.

Roll Call

Members present as noted above.

Public Comment

Chair Quale thanked public attendee Mary Wilber, who had provided the cheat sheet of programs other libraries offer. Chair Quale thanked Mr. Murphy for attending.

WORK STUDY SESSION AGENDA

1. Discussion about Fines and Fees in the Scottsdale Public Library

Kira Peters, Library Director, and Senior Library Managers facilitate a discussion on the topic of library fines and fees. They presented the following highlights:

- The reason for the work session is to evaluate options for a fine-free initiative to provide access to the library for all.
- This is helping people in need and who may struggle to pay fines and impact fees

- Scottsdale 2015 poverty census information and different levels of poverty were provided on a city map
- 119,000 cards with about 40% of those being juveniles – types of cards blocked information to be gathered and provided to the Board later

Ms. Peters felt it was important for the Assistant City Manager to be at this meeting to assist the Board in seeing the bigger picture in considering the library's issues. She stated that the San Francisco library model was also provided for an example.

Quality vs. equity – calls for a deeper consideration of pre-existing power structures and economic conditions that have already been distributed at an advantage or disadvantage that is unequal or unfair – important points to discuss are highlighted

Board Member McLendon stated that it was important to focus on these issues. Chair Quale pointed out that if a person does not have a card or their card is blocked they are also blocked from the library's wonderful electronic resources, such as career exploration, education and similar services, many of which have been added in the last five years. Ms. Gallivan Butler added that GED preparation is a program offered by the library.

Ms. Peters continued her presentation, noting the following issues:

- Fines in the real world not the most ideal way of interacting with staff
- Staff time spent managing overdue accounts and looking up information
- Increasing customer access to materials and programs
- Economic equity
- Improved patron relations
- The fees and fines system is in place to get the materials returned

Board Member Collins stated that there would be two cases to make, one, which would be that the recommendation and elimination of all fines would be an appropriate header, with who benefits and the outcome, which would include access to the electronic programs and others. She added that the second point would be to focus on would be the business case, which would be most meaningful to Council and might need to be a separate slide where the revenue impact is considered, while taking off the more effective use of staff time (as that should only be used in the business case). She added that for revenue, she was not sure what the debt forgiveness of \$200,000 would mean, but she felt it was important to discuss what the revenue impact would be, as well as potential offsets.

Board Member Collins asked about what the potential offsets and solutions would be, so that Council could be best informed to make decisions. She said that the business case should very clearly state through numbers, cost avoidance, and potential offsets, while letting Council know the gains/losses of each scenario.

Board Member Smigielski stated she thought that this presentation was to include those points, as that had been discussed at the recent Library Board meeting. She said that if

the fines were no longer being paid, a certain amount of revenue would not be coming in, but what would be the solution to either recoup that, or would it be possible to cut that from the budget. Board Member Smigielski felt that should be addressed at the beginning of presentation for Council. She added that it was important to see the impact on the library in order to make sound decisions. She noted that how others did it was important, but the details of this plan were important to know before jumping in.

Board Member Collins believed that sources of revenue on a business case slide could contain a suggestion of “increasing external services by X percent” as a possible means of revenue, for example.

Ms. Carrico stated that the financial information could be moved from the beginning of the presentation, but the reason that staff wanted to start with that was because the mission statement would actually be more important than just the numbers. She added that the data showed, again and again, that overdue fines do not improve returning books on time. So then it needs to be considered why the fines are in place.

Ms. Peters stated that the presentation would also include impacts to the library. Mr. Murphy stated that the cities shown on the fine-free map are very large, and if benchmarking of cities that were similarly sized to Scottsdale had been done, that should be reported in the presentation.

Board Member McLendon stated that there were still a number of comparables on the map, but some only considered children or teen figures.

Chair Quale stated that attracting employers and inciting patrons to use Scottsdale’s facilities should be considered.

Ms. Carrico said that the statistics on fines not improving the return of materials on time or at all was becoming very public information, so soon library staff would have to answer that for taxpayers.

Ms. Peters said that she would like to address staff’s recommendations and possible alternatives. She presented the following information:

- Staff’s recommendation: Eliminate all fines
- If all fines are eliminated who will benefit
- Expected outcomes
- Revenue impact

Ms. Gallivan Butler stated that to enact this, all overdue fines of any amount would be removed from all accounts. She added that going forward a \$145,000 revenue loss (reduced 8 to 14% over the last three years so this is an estimate).

Chair Quale said that the city would benefit from this overall, because more people would come to events, and work on their GEDs, and such activities would become

available. She added that the City of Scottsdale would also be meeting its goal of supporting education.

Ms. Gallivan Butler stated that forgiving fines on overdue items would encourage people to return the items, since they would not have to pay for the fines associated with that item. This, in turn, would assist revenue by returning an item that now would not have to be replaced. Ms. Orr added that some patrons pay their fines down under the \$10 limit so they can use their cards again, but never totally pay them off.

Mr. Murphy stated that if fines were to be eliminated the outstanding fine balances on patrons' accounts would have to be written off even though the library would never collect all of them.

Board Member Smigielski mentioned that not having fines would require a lot of good faith with patrons returning items on time. Chair Quale said that people who can afford the fee to keep the item longer also is an issue. She said that it was hoped that patrons would return items out of respect for the fact that it was not their item.

Ms. Carrico said that the payoff is that those items are kept longer, but once items are overdue for a certain number of days, patrons will be limited from borrowing other items, which definitely will encourage borrowers to return items on time.

Ms. Gallivan Butler stated that holds for items had drastically decreased since the \$1 fine had been implemented for holds that are not picked up. She added that the San Francisco study showed an increase in items placed on hold but they attributed it to having more patrons and users, which is the reason for doing this.

The discussion about accountability continued. Ms. Peters explained that if an item is overdue and not renewed after a certain point it is flagged as missing in the system and the borrower is billed for its replacement cost. And the borrower is blocked from borrowing materials. Once they either return the item or pay for its replacement they can use the library again. Patrons are still held accountable.

Ms. Carrico stated that the San Francisco data (pg. 12) showed that amnesty periods definitely incited patrons to return items, because they could not afford the replacement cost..

Ms. Peters stated that last year \$161,000 in fines was paid, so that would be an impact to revenue. She said that the largest line item was material collection, so if that amount were to be found anywhere in the Library's budget it would have to be in the budget for buying new items. She said that operations and programming had been considered, but it could not be taken from there, so not charging fines would impact the library. She added that the offsets are also important to consider.

Mr. Murphy said that the slide showing library revenue is inaccurate because it includes over \$500,000 from the SUSD agreement. Also the closing of Palomino Library will

generate savings of \$350,000. Ms. Peters stated that the intent is to continue to provide some services after the Palomino closure, and that would still generate some revenue. Mr. Murphy said that some savings would be experienced from the closure of Palomino, and getting out of the SUSD agreement would also save some funds. He noted that the City is currently conducting outreach because of other IGAs, and attempting to optimize opportunities and possible revenues.

Mr. Murphy summarized that his point is that math is a necessary part of the formula, but he noted that many Community Services programs do not generate revenue, and right now, Council is in the middle of developing budgets. He stated that the particular slide with the library's budget numbers presented here probably should not be shown as part of the presentation since it is not a clear picture of the actual information for budget purposes.

Chair Quale said that two of the rooms that are normally rented out will be going away (to be used for training employees), and wondered if there would be an offset to the library for that. Mr. Murphy said that he understood the revenue was not that large for those two rooms, and he understood that a lot of the training activities were being moved to the Eureka loft.

Ms. Peters continued with the slideshow, noting that how doing away with the fines would impact the library. Board Member Collins stated that the presentation should be accurate for Council, and Ms. Gallivan Butler said that the purpose of this presentation today was to educate and discuss with the Board. Ms. Gallivan Butler referred to the previous slide, stating that if the \$145,000 was taken from the book budget, the only place it could be taken from, which would amount to around 7,000 to 11,000 items per year that the library would not be able to buy, depending on e-books, and cost factors. She noted that approximately 50,000 items are added per year. Ms. Gallivan Butler noted that money is received from Maricopa County Library through a Library Assistance Program (tax revenue to which all homeowners contribute), with an additional \$90,000 being received this past year, which was the first year of that program. She added that once more funds were received from that program, the projected \$145,000 loss could potentially be offset.

Ms. Gallivan Butler stated that 60% of the allocation was based upon property values. She added that 40% of the allocation was based upon the number of cards that the Scottsdale Library issued for people in Maricopa County but not residing in Scottsdale (\$17/card for Phoenix residents).

Mr. Murphy commended the Library staff on moving forward with outreach, as those activities have increased revenue from last year.

Ms. Gallivan Butler stated that the formula had been changed on the Maricopa County agreement but it had been very advantageous in the past several years. Mr. Murphy stated that the challenge for the Library staff is the projection of what the number will be on year by year basis.

Mr. Murphy stated that because Maricopa County is the largest growing county in the state, there is a good chance that the funds from that program would still be similarly profitable. Board Member Reyman noted that would be offset by the reduced amount of materials that could be purchased, and Chair Quale said this brought up the importance of staying competitive with other libraries.

Ms. Gallivan Butler stated that customer comments often compared Scottsdale to the Phoenix Library, which was not fair but still would be done.

Ms. Peters said that the current slide reflected information from the last meeting, showing the total balance of fines vs. lost/damaged fees, with pie chart showing the number of library cards blocked (7,690 out of 119,000 total cards) due to non-payment of fines, listed per library.

Ms. Gallivan Butler stated that for every book valued at \$10, \$4.70 in fines was charged. She said that in theory, fines should be a small percentage of the value. She also referred to total value of materials checked out but not returned, \$501,000 (with a total value of the collection at \$9 million). She added that 5% of the \$501,000 was overdue, not returned items that were sitting in people's homes. She added that if those were returned when fines were eliminated, which has been typical of other library programs, then revenue loss would be offset with those assets being returned. Ms. Gallivan Butler noted that a lot of times, lost or not returned items were not replaced.

Ms. Peters presented the Blocked Cards by Branch pie chart showing 40% (57% of all blocked cards) of the blocked cards at the Civic Center, an understandable figure since that is the largest branch.

Ms. Peters referred to the Library Revenue Sources slide, breaking down sources, and Chair Quale stated building the Friends of the Library as a possible revenue generator. Ms. Peters also presented alternatives to eliminating fines and presented the following possibilities:

- Eliminate fines (recommended)
- Amnesty Program – fines are forgiven, and patrons can return materials with no fines or fees (revenue impact would be hard to predict) – one time only program

Ms. Carrico stated that the Amnesty Program would drop all fines, and was directed at people who no longer use the library since their cards were suspended. She added that there would need to be a publicity campaign to raise awareness. Chair Quale stated that should be followed up by going to schools and re-signing youth cards. Ms. Gallivan Butler stated that the Amnesty Program was more of a band-aid approach, since people often found themselves in the same situation next time. Ms. Carrico stated while it was not the best alternative, it would allow for some patrons to return to using the library. Ms. Gallivan Butler stated that most items returned at the San Francisco Library's Amnesty Program was 60 days old, so it was difficult to predict how far back materials would be checked out.

Ms. Carrico stated that the two goals would be to reinstate library use, with the second goal being to receive the material back.

Ms. Peters presented alternative two as eliminating fines on juvenile materials, which many libraries have done.

Ms. Gallivan Butler stated that because this was directed at the juvenile materials, not the cards, so the readers of teens' material would suffer from reduced availability. Chair Quale stated a concern that seniors and adults who would not benefit from this, either. Ms. Gallivan Butler noted that getting juveniles back to the library or to the library or engaging in reading is important.

Ms. Peters stated the third, and least desirable alternative would be not to do away with fines.

Chair Quale stated that it was important to note that almost all of the peer libraries have done away with fines. She stated that there were always complaints from patrons that the fines should be done away with. She added that City of Phoenix has much more circulation than Scottsdale, but in addition, Phoenix does not accumulate fines as fast as Scottsdale, because Scottsdale has a five-day waiting period to notify patrons of overdue items. She added that Phoenix informs patrons two days before fines start accumulating.

Chair Quale noted that if doing away with fines had been implemented in late 2017, the amount of revenue under discussion would not be \$145,000, but a figure significantly lower. Ms. Gallivan Butler stated that this would only benefit the patrons in good standing, and would do nothing to unblock cards, or to bring more patrons to the library. She added that if fines were eliminated, the complaint about why the fines were not forgiven when Phoenix's were would be no longer voiced.

Chair Quale stated that having only juvenile materials unfined would encourage parents to have their children get cards. Ms. Carrico stated that many people simply forget to return materials, so auto renewal would not be the best option for those who might lose track.

Ms. McLendon said that she felt that she would like to see this as a separate discussion, as she did not see it as a good alternative to doing away with fines. She added that materials being returned in a timely manner is an issue that should be considered, and if fines were no longer a factor, that obligation would still need to be considered. She added that in differing formats the opportunity to remind patrons of the relationship and status of materials should be fully explored.

Upon Board Member Wachs' question, Chair Quale stated that a decision on what should go to Council was not to be made this meeting, but at the November meeting, at

which time the Board should decide what will be proposed to Council, and a resolution should be drafted.

Chair Quale stated that at that time, it would be appropriate for a couple of Board Members to go before Council, so that Mr. Murphy and Ms. Peters were not the only ones advocating.

In response to Board Member Reyman asking how the \$90,000 from Maricopa County was used (possibly to offset the \$145,000 in lost revenues), Ms. Gallivan Butler stated that the credit of \$90,000 was received in materials, so a question for Mr. Murphy was whether or not it would be necessary to contribute \$145,000 every year, even though that number was reducing each year. She added that once fines were eliminated it would be impossible to tell what the amount would have been going forward each year.

Mr. Murphy stated that would depend on how the program rolled out, and Chair Quale noted that auto renewal would also conceivably lower that amount.

Ms. Carrico stated that the main goal was to assist the vulnerable, and secondarily to that was assisting the teens and juveniles, and auto renewals was also a factor. She stated that the focus of this discussion was to understand how to best help the community up to and including eliminating fines.

Ms. Peters covered the Next Steps slide, and stated that the information was a lot to consider. Chair Quale said that the budget for next fiscal year had to be included in the presentation, but separate and apart from that, Council would have the authority to make decisions. She added that if the activity of this exercise were to be done through regular channels it would become part of the budget process. Board Member Smigielski agreed that was a good point, and said that the Board should decide how the matter should be discussed with Council, whether it is proposed as a resolution that Council could enact immediately, or presented as a budget matter. She believed that would be decided at next meeting, but felt it should be considered how, specifically, it should be presented to Council, once an implementation plan was determined.

Mr. Murphy commended staff and the Board Members, noting that this is a tough subject, and he felt the staff had put a lot of effort in. He said there was an option to move into an action that could be taken this year, with an opportunity to waive fines. He added that the library card holders in 2015-16 (216,000 cardholders), which declined to 119,000 in 2018, with 7,700 of those blocked. Mr. Murphy added that there probably is a marketing issue about why these cards are not being used, including the juvenile cards that are blocked (less than 17%), and these issues should be considered. He noted that the biggest decline in cardholders was seen in 2018-19. He added that most recently, juveniles were at 11%, seniors at 6.7%, and adults at 81%, so when looking at what the Library was trying to achieve, these data are important to the marketing picture.

Mr. Murphy stated one of the things to consider was waiving fines for Library Month, or for two months only, or other options. He said that most of the data was anecdotal, and was not taken over the course of many, many years. He suggested that he could create

some of those scenarios by drafting a letter. Mr. Murphy said that the City's budget preparation process would start Wednesday with four weeks to put it together. He added that if the fees were going to come out, then they would be the focal point of Community Services for the March 2020 discussion with Council.

Ms. Carrico stated that the more vulnerable patrons was a key issue, and Chair Quale stated that trying to improve the percentage of the city that will use the library was important for her. Mr. Murphy said that having a conversation with a collective group of juveniles, such as at a school, would be very helpful in that area, and suggested that perhaps more cooperation with the school district would be possible. He agreed that patrons using the library is very important.

Ms. Carrico said that the doing away with fines would affect those that are vulnerable across the board. She added that those barriers that needed to be removed were not the 70% of cardholders that pay fines, but to those individuals who are financially or geographically affected. She cited a patron as an example, who had her card blocked with a \$12 fine on it. The patron wanted to unblock the card, so in an attempt to get the hold amount to under \$10, she pulled out her coin purse and counted out exactly \$1.99 to get her fine down to \$9.99. Ms. Carrico stated that this is the patron that is concerning to her, and would be most benefitted, and the data totally supported that no fines would assist most with the under-served populations.

Mr. Murphy said that finding out why patrons with blocked cards are not coming back to the Scottsdale Library is key, and simply using data from other libraries would not fulfill this. Ms. Carrico stated that the market data was conclusive, and a survey would enhance it.

Chair Quale suggested distributing a survey about whether people have a library card, and if not, why not with every food box given through Community Services. Mr. Murphy said that the School Drive does take surveys, and he believed there were other opportunities to do that. He added that these are things that could be worked upon over the course of a year in order to be very firm about the course of action. He added that he was not trying to influence staff or the Board.

Chair Quale stated that it is compelling to her that when professionals in the library area felt that doing away with fines needed to be done, and it should be compelling to the City of Scottsdale when professional library staff are saying that they want the library to be used.

Ms. Carrico and Vice Chair Reyman discussed the importance of people being informed that they could renew a card after two years. Ms. Carrico stated that it was not advertised that this would allow patrons to start with a clean slate, but it could be advertised that patrons should simply renew every two years.

Mr. Murphy stated that this had been a good conversation, and Chair Quale stated there was a lot to think about between now and the next meeting.

Board Member McLendon wanted to suggesting going back to review some of this because it speaks a lot (specifically page 25 regarding messaging). She stated that she believed this was important, even though at first she was not sure because figures were derived from San Francisco. She stated that a good example of a small action being very effective was the Financial Justice Project that San Francisco did to make sure that services could be accessed by all, including prisoners.

Chair Quale stated that the library is key to so many services that enrich lives, that she would like the community to be able to easily access as many services as possible.

Chair Quale thanked the participants and Mr. Murphy for their attendance.

2. Adjournment

VICE CHAIR REYMAN MOVED TO ADJOURN THE MEETING. BOARD MEMBER SMIGIELSKI SECONDED THE MOTION, WHICH CARRIED FOUR (4) TO ZERO (0). CHAIR QUALE, VICE CHAIR REYMAN AND BOARD MEMBERS MCLENDON AND SMIGIELSKI VOTED IN THE AFFIRMATIVE, WITH NO DISSENTING VOTES. (BOARD MEMBERS COLLINS AND WACHS LEFT THE MEETING AT 5:27 P.M.)

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 5:58 p.m.

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