



Unit # 158 – 5489 Byrne Road

Burnaby, B.C. V5J 3J1

Phone: 604-437-8441

Fax: 604-437-8410

Email: info@interlinklibraries.ca

Website: www.interlinklibraries.ca

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December 6, 2022

TO: InterLINK Board

Via email

Subject: Provisional 2023 InterLINK Budget

Dear Board member,

Attached please find the provisional 2023 InterLINK budget. At its meeting on Tuesday, November 29, 2022, the InterLINK Board passed the following motions:

“THAT the Board of Directors of Public Library InterLINK adopt “Schedule A” as amended as the Year 2023 Provisional Budget of Public Library InterLINK and authorize its onward transmittal to member library boards for their consideration and comment

and

THAT a final vote on the 2023 InterLINK Budget take place at the first InterLINK Board meeting in 2023.”

InterLINK Board members should request that the provisional budget be placed as an information item on the agenda at the next meeting of their home board. As an information item, and as noted in the above motion, member library boards are asked for comment on the budget. Member library boards are not required to pass a motion to "approve" the budget, however, boards could, for the record, pass a motion to receive the budget as an item for information.

As a reminder, the provisional 2023 InterLINK budget shows an increase in the *total* member levy to \$410,000, a stepped increase toward pre-covid member levy totals, which is possible only because a transfer of \$50,455 will be made from the Compensation Encumbered Fund (which were held due to the decrease in non-resident borrowing in 2020).

2023 is the first year that all member levies are assessed at 100% of population after a three-year phase-in of this change, and the Vancouver Public Library grant has now been phased out. InterLINK Board members may wish to highlight Schedule B, which provides the 2023 member levy for each library as well as a comparison to the 2019-2022 levies. Schedule C, page 2, provides the total 2023 member levy and projected net borrower levy (if applicable). The final non-resident borrowing numbers for 2022 will be provided in the final 2023 InterLINK Budget as noted above.

Please do not hesitate to call if you have any questions,

Sincerely,

A handwritten signature in black ink, appearing to read 'm. burris', with a stylized, cursive script.

Michael Burris

Executive Director

InterLINK 2023 Budget FAQs

What is the net borrower library contribution?

InterLINK facilitates “non-resident borrowing”, which refers to the ability for anyone living in the InterLINK service area to borrow materials from libraries outside their “home” community. Each time a member library loans an item to a non-resident, they are paid \$0.50 compensation for that loan. Of that 50 cents, 40 cents come from the InterLINK budget and 10 cents is contributed by the borrowing library. Final net borrowing calculations are done after the year end.

Why has the net borrower library contribution amount increased?

Compensation for non-resident lending is budgeted in the year after the circulation activity occurs. That is, circulation activity in 2022 is built into the 2023 budget. As non-resident circulation continues to trend back to pre-2020 levels, net borrower contributions rise.

Will member levies continue to rise?

It is anticipated that over time, non-resident borrowing activity will return to pre-2020 levels. In addition, other costs (courier, staffing, etc.) are also rising. It is key that member library boards understand that the drop in member levies in 2021 and 2022 were anomalies. InterLINK is projecting increases to non-resident borrowing over the next three years. These increases will be mitigated somewhat by funds in the compensation reserve, but those funds will be drawn down by 2024.

What does Schedule B show?

Schedule B provides the member levy, based on population, that each member library pays. The schedule provides a comparison of the member levy from 2019 to 2022. The 2022 total levy of \$410,000 is reflected as revenue on the draft operating budget (Schedule A).

What does Schedule C show?

Schedule C, page 1, provides the projected circulation activity for 2022 and the related compensation for non-resident borrowing. Net lender libraries derive revenue from the compensation model while net borrowing libraries pay into the compensation fund. Schedule C, page 2 combines the member levy and net borrowing (where applicable) to provide a total for each member library. The variance between 2023 and 2022 is also provided.



2023

PROVISIONAL BUDGET

November 29, 2022

**2023 Provisional InterLINK Operating Budget
Schedule A**

	2022 Budget			2023 BUDGET
REVENUES:	Budgeted	YTD (Sept)	Projected	Budgeted
Provincial Grant	601,000	601,000	601,000	601,000
Prov. Grant - COVID relief ('22 deferred rev.- see below)		425,000	425,000	425,000
Net Borrower Library-Contribution	51,634	51,634	51,634	55,910
Member Levies	371,325	371,323	371,323	410,000
Interest Income	6,000	7,641	10,000	12,000
New to BC	456,000	435,633	575,000	456,000
Admin-New to BC	45,500	35,407	48,500	45,500
Workshops	5,000	16,012	16,600	5,000
Project LLEAD	-	97,564	200,000	-
Consortial Purchasing	20,000	27,527	30,670	20,000
Transfer from Encumb. Fund - Compensation	68,593	-		50,445
Total Revenues	\$ 1,625,052	\$ 2,068,741	\$ 2,329,727	\$ 2,080,855
EXPENDITURES:				
GRANT Expenditures - COVID relief				110,000
OFFICE-Audit & Legal	12,000	6,660	15,375	20,000
OFFICE-Board/Committee Expenses	8,000	5,076	5,300	8,000
OFFICE-Building Maintenance	4,200	3,811	4,800	5,000
OFFICE-Computer Repair & Maintenance	2,500	2,396	2,700	2,500
OFFICE-Equipment	2,500	1,451	1,500	2,500
OFFICE-Expenses-Miscellaneous	500	99	2,000	500
OFFICE-Insurance	6,000	6,392	6,392	6,500
OFFICE-Photocopier Lease	2,700	1,994	2,700	2,700
OFFICE-Rent	34,100	23,509	32,418	33,000
OFFICE-Utilities	9,500	4,924	5,600	7,000
OFFICE-Postage/Shipping	1,250	1,018	1,250	1,400
OFFICE-Expenses/Supplies	2,000	1,417	1,800	2,000
PROGRAMS-Audiobooks-Acquisitions	100,000	77,906	100,000	100,000
PROGRAMS-Audiobooks-Supplies & storage	3,200	2,601	3,200	3,200
PROGRAMS-Audiobooks-Website	4,200	3,785	4,000	4,200
PROGRAMS-Consortial Purchasing	20,000	30,670	30,670	20,000
PROGRAMS-New to BC - Federal	456,000	457,680	556,000	456,000
PROGRAMS-ILK admin costs for NBC	17,000	9,561	19,000	17,000
PROGRAMS- Project LLEAD	-	30,578	200,000	-
PROGRAMS-Resource Sharing-Courier Charges	65,000	56,398	71,000	76,000
PROGRAMS-Resource Sharing-Del Suppl / storage	8,400	7,836	9,000	8,400
PROGRAMS-Resource Sharing-Hosting	20,000	17,000	17,000	20,000
PROGRAMS-Resource Sharing-UBC ILL Charges	3,500	-	3,800	3,800
PROGRAMS-Resource Sharing-Vehicle Operation	20,000	11,004	16,000	20,000
PROGRAMS-Workshops	55,000	43,640	48,000	48,000
PROGRAMS-YSC	23,000	16,068	23,000	33,500
STAFF- Professional Development	2,000	357	357	500
STAFF-Benefits	59,000	40,003	49,500	50,500
STAFF-Salaries & Wages	385,000	295,492	403,500	417,105
Sub-Total Operating Expenses:	1,326,550	1,159,326	1,635,862	1,479,305
Trfr.Capital Asset Reserve	7,000	7,000	7,000	7,000
Trfr.Net Provider Comp.(Operating Bdgt)	206,535	206,535	206,535	223,640
Trfr.Net Provider Comp.(Borr.Library)	51,634	51,634	51,634	55,910
Trfr.Ref Provider Grant (VPL)	33,333	33,333	33,333	
Deferred Revenue (COVID relief funding)			425,000	315,000
Total Oper. Exp. & Comp.	\$ 1,625,052	\$ 1,457,828	\$ 2,359,364	\$ 2,080,855
Excess (Deficit)	\$ -	\$ 610,913	\$ (29,637)	\$ -

2023 InterLINK Provisional Operating Budget Member Levies Schedule B

NOTE: The 2023 Membership Levies are based upon the latest population figures provided by the Libraries Branch for InterLINK's use

Library	Population 2022	2019 InterLINK Member Levies	2020 InterLINK Member Levies	2021 InterLINK Member Levies	2022 InterLINK Member Levies	2023 InterLINK Member Levies	Variance
BIPL	4,222	\$ 603	659	463	473	546	\$ 73
BPL	260,918	51,982	54,863	35,523	32,753	33,735	\$ 983
CPL	154,435	33,306	33,020	21,053	19,412	19,968	\$ 556
FVRL	823,535	83,412	85,904	74,607	86,877	106,478	\$ 19,601
GibPL	12,937	1,990	2,128	1,497	1,503	1,673	\$ 170
LALA	4,032	743	709	484	474	521	\$ 47
NWPL	82,866	16,393	16,957	11,195	10,322	10,714	\$ 392
NVCL	60,134	12,085	12,668	8,139	7,504	7,775	\$ 271
NVDPL	94,215	19,556	20,531	12,913	11,906	12,181	\$ 275
PemPL	6,574	1,085	1,050	753	776	850	\$ 74
PMPL	35,951	7,507	7,863	4,921	4,538	4,648	\$ 111
RPL	216,280	48,621	47,759	29,804	27,480	27,964	\$ 484
SecPL	19,371	2,898	3,167	2,224	2,260	2,505	\$ 244
SqPL	23,266	3,506	3,696	2,514	2,651	3,008	\$ 357
SPL	614,715	123,442	125,678	82,089	75,687	79,479	\$ 3,792
VPL	694,846	111,143	114,288	74,847	78,881	89,840	\$ 10,958
WVML	48,340	10,486	10,622	6,626	6,109	6,250	\$ 141
WhPL	14,427	1,862	2,061	1,674	1,719	1,865	\$ 147
TOTAL	3,171,064	\$ 545,900	\$ 530,620	\$ 371,325	\$ 371,325	\$ 410,000	\$ 38,675
COST PER CAPITA:		\$ 0.2081	0.2076	\$ 0.1326	\$ 0.1260	\$ 0.1293	
2022 Population		3,171,064					

SUMMARY:

The direct cost per capita is arrived at by dividing the total member levy cost of \$410,000 by the total estimated population of 3,171,064. All libraries are now at 100% and there is no longer a VPL grant.

Please note that the extraordinary circumstances caused by COVID affected non-resident borrowing in 2020 & 2021, thus levies were temporarily reduced, but are being phased up to "normal"

Public Library InterLINK

2023 Calculations - circ activity and levies

(using 2022 PLSB pop. estimates; all libraries now at 100% of population)

2022 projected Circulation Activity; Membership Levy based on Data and Budget inputs for 2023)

(using \$0.50 per Net Loan)

Schedule C - p. 1

Library	Population 2022 all libraries now at 100%	Items Lent 2022 Projection	Items Borrowed 2022 Projection	Net Activity 2022 Projection	Net Lender Income \$0.50/net item Projection (0.40/item fr. subsidy)	Net Borrower Levy at \$0.10 per net item Projection
BIPL	4,222	411	11,703	(11,292)		\$1,129
BPL	260,918	444,659	280,225	164,434	\$82,217	
CPL	154,435	182,337	340,312	(157,975)		\$15,798
FVRL	823,535	174,085	392,425	(218,340)		\$21,834
GibPL	12,937	11,835	14,205	(2,370)		\$237
LALA	4,032	33	334	(301)		\$30
NWPL	82,866	83,689	130,645	(46,956)		\$4,696
NVCL	60,134	91,838	204,493	(112,655)		\$11,266
NVDPL	94,215	183,070	144,388	38,682	\$19,341	
PemPL	6,574	1,650	3,793	(2,143)		\$214
PMPL	35,951	184,654	80,325	104,329	\$52,165	
RPL	216,280	132,806	105,368	27,438	\$13,719	
SecPL	19,371	13,733	16,396	(2,663)		\$266
SqPL	23,266	2,295	6,699	(4,404)		\$440
SL	614,715	222,173	200,270	21,903	\$10,952	
VPL	694,846	469,972	369,758	100,214	\$50,107	
WVML	48,340	137,275	42,583	94,692	\$47,346	
WPL	14,427	13,025	5,618	7,407	\$3,704	
TOTALS:	3,171,064	2,349,540	2,349,540	-	\$ 279,550	\$ 55,910

(rounded)

Only net
borrowers pay
this levy

**Public Library InterLINK
Compensation Model - 2023
Schedule C - p. 2**

2023 MEMBER LEVIES					
<u>Based on 2022 pop. estimates fr Libraries Branch</u>					
Library	BUDGETED 2023 Member Levy	PROJECTED Net Borrower Levy at \$0.10 per net item (rounded) pay in 2023 re: 2022	Total 2023 Member Levy + PROJ. Net Borrower Levy	2022 Member Levy & Actual '21 Net Borrower Levy paid in 2022	Variance betw. 2023 Memb. Levy + PROJ. Net Borr. Levy and 2022 Memb. Levy + Actual Net Borr. Levy
BIPL	\$546	\$1,129	\$ 1,675	\$1,661	\$ 14
BPL	\$33,735		\$ 33,735	\$31,323	2,413
CPL	\$19,968	\$15,798	\$ 35,765	\$32,400	3,365
FVRL	\$106,478	\$21,834	\$ 128,312	\$114,436	13,877
GibPL	\$1,673	\$237	\$ 1,910	\$2,049	(140)
LALA	\$521	\$30	\$ 551	\$491	60
NWPL	\$10,714	\$4,696	\$ 15,410	\$16,136	(726)
NVCL	\$7,775	\$11,266	\$ 19,040	\$17,841	1,199
NVDPL	\$12,181		\$ 12,181	\$11,310	871
PemPL	\$850	\$214	\$ 1,064	\$1,060	4
PMPL	\$4,648		\$ 4,648	\$4,316	332
RPL	\$27,964		\$ 27,964	\$25,964	2,000
SecPL	\$2,505	\$266	\$ 2,771	\$2,325	445
SqPL	\$3,008	\$440	\$ 3,449	\$3,233	216
SL	\$79,479		\$ 79,479	\$76,817	2,662
VPL	\$89,840		\$ 89,840	\$74,061	15,778
WVML	\$6,250		\$ 6,250	\$5,803	447
WPL	\$1,865		\$ 1,865	\$1,732	133
TOTALS:	\$ 410,000	\$ 55,910	\$ 465,910	\$ 422,959	42,951