

Food and Beverage Tax Advisory Commission
Nat U Hill Meeting Room
28 August 2018 Meeting Minutes

Called to Order at 4:10 pm. There was a slight delay so that the meeting would not begin until the CATS cablecast was in progress.

Present: Mayor Hamilton, City Council member Steve Volan, Michael Cassady, (Uptown Café), Lennie Busch (One World), and Tony Suttle (Fourwinds Inn & Marina).

Staff: Jeff Cockerill, County Legal; Michael Flory, County Council Attorney; Mick Renneisen, Deputy Mayor.

1. Discussion of Draft forms for agenda requests and expenditures. Samples were distributed; suggestions for revision invited.
2. Mayor maps out process for expenditure of funds—

Technically, the City Council or County Commissioners must request that the FBAC approve any expenditures before money can be appropriated. Flory advised the group not to get hung up on that procedural item. Eg., if faced with a situation where Time is of the Essence, the Mayor could bring a request before the FBAC, along with supporting information, and the FBAC could approve an expenditure, which would nevertheless still have to be appropriated by the proper fiscal body. At its meetings thus far, the FBAC has heard reports of upcoming expenses, expressed in general terms (e.g., need to pay for surveys), with no specific dollar amounts or time frame, no specific vendors. The goal has been to get upcoming expenses on the FBAC's radar, give them the opportunity for input and ability to ask questions. No reported information at this point has resulted in any specific commitment to expend funds of any set amount.

Report on Collections:

Auditor's Office reports that to date, \$1,101,013.91 has been collected as part of the 1% tax.

Report on entities registered with Department of Revenue (DOR):

There are 650 entities on the County Health Dept. list of entities they inspect for food and beverage preparation. This list is viewed as a basic starting point to determine what entities in Monroe County should be collecting the tax. However, Cockerill reports that Health Dept. fund is somewhat inflated. Of the 650 total, 493 are classified as "restaurants". Of these 493, have registered with the DOR for the F&B tax payment.

44 entities on the Health Dept. list don't need to pay the tax, as there are no sales and no collection. Examples-- NFP kitchen facilities; Monroe County Jail.

33 entities are categorized as "unsure" as to their exact status, and County Legal is researching them.

5 entities are relatively new, and we don't expect them to show up on the DOR list.

It appears that 80 entities should be reporting, but they aren't. They may actually be collecting the 1% tax. County Legal and the Auditor's Office are looking into whether or not any are actually collecting the tax, but have not yet registered to forward it to the DOR.

Auditor plans to have direct contact with those 80 by September 15th. There will be a follow-up at beginning of October. If they are clearly not complying, they will be reported to the DOR.

Michael Cassady asks for clarification of whether liquor stores must pay. No.

Tony Suttile: "Will parties be responsible from when they sign up, or when the tax went into effect?" Answer: They are legally obligated to collect the tax as of February 1, 2018. They will be legally liable to pay that amount whether they properly collected it or not.

It does appear that people who have come on late are paying amounts that reflect collection since February 1st.

Cockerill reports that some mobile, seasonal and temporary entities are actually paying. The current focus of the Auditor's Office is on actual restaurants. Some mobile units (food trucks) are actually associated with restaurants.

Michael Cassady: Didn't we approve certified letter expenses last time? Answer—willingness to spend the \$ was expressed, but Auditor has reviewed the situation and decided not to proceed with letters at this point.

Expenditures on the horizon:

Duke Energy – easement needed along B-Line trail. Duke has been asked to re-engineer placement of its lines for transmission and distribution. \$250k for transmission; 150K for distribution.

Mick Renneisen – purpose is just to get these upcoming expenses on the radar of the Advisory Commission.

4th Street Garage brought up by Mayor. Needs major repairs, but not certain to what extent F&B would contribute to that is unclear. The parking support provided by the 4th Street Garage will clearly be a vital component of planning for the expansion, hotel.

General Comments:

Mayor—some sort of budget will be helpful, and important to get to the committee soon.

Mayor—MOU will be helpful to getting things moving. There is currently some ongoing discussion as to hotel planning and Convention Center Expansion, and the connection of the two.

Tony Suttle states that when the FBAC gets a budget and clear outline of upcoming expenditures, its role will be much easier.

Mick Renneisen presents a rough breakdown of what is known so far:

Architectural fees – generally between 7%-10% of project cost.

Project manager fees – 1-2% of project cost.

Bond Counsel – up to c. \$1M

Volan observes that knowing the first year's revenues will help set out the foundation for work yet to be done.

Michael Cassady asks how expenditures of City or County are to be handled. Discussion of whether or not advisory commission must approve actual expenditures. Answer – NO. Actual expenditures will be tracked by the Auditor's Office of the County and the Controller's Office of the City. Actual invoices will be further tracked by the Commissioners and City Council. County Council must make appropriations for County expenditures.

Adjourned at 5:05 pm.

Tuesday, September 25 is next scheduled meeting, 4:00 pm in Nat U. Hill.

[Editor's Note: The Nat U. Hill Room is not available at that time and date. The Committee will be polled on how it wishes to handle rescheduling.]