



Food & Beverage Tax Advisory Commission

Cheryl Munson - Chair
Ron Smith – Vice Chair
John Hamilton
Julie Thomas

Susan Bright
Lennie Busch
VACANT



FOOD AND BEVERAGE TAX ADVISORY COMMISSION Tuesday, October 18, 2022 at 2:00 PM In Person: Courthouse – Third Floor; Nat U Hill Meeting Room Virtual Attendance: Zoom Connection

<https://monroecounty-in.zoom.us/j/89536304515?pwd=V1pGR28zQWNGNktoNENWS3dWN3VYUT09>

Meeting ID: 895 3630 4515

Password: 419717

- The public’s video feed will be turned off by the Technical Services Department meeting administrator.
- The public will be able to listen and record.
- The public should raise their hand if they wish to speak during the public comment period.
- Below is the link for ZOOM Meeting Schedule of Monroe County Virtual Public Meetings for your convenience:

<https://www.co.monroe.in.us/egov/apps/document/center.egov?view=item;id=10017>

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“Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of Monroe County, should contact the Monroe County Title VI Coordinator, Angie Purdie, (812) 349-2550, apurdie@co.monroe.in.us, as soon as possible, but no later than forty-eight (48) hours before the scheduled event. Individuals requiring special language services should, if possible, contact the Monroe County Title VI Coordinator at last seventy-two (72) hours prior to the date on which the services will be needed. The meeting is open to the public.”

1.	CALL MEETING TO ORDER	PAGE
2.	ROLL CALL OF MEMBERS PRESENT IN PERSON OR ATTENDING VIRTUALLY	
3.	ELECTION OF OFFICERS A. Chairperson B. Vice-Chairperson	
4.	REVIEW AND APPROVAL OF 2021 ANNUAL REPORT	2
5.	NEXT MEETING DATE	
6.	APPROVAL OF SUMMARY MINUTES February 19, 2021	15
7.	ADJOURNMENT	

**FOOD & BEVERAGE TAX ADVISORY
COMMISSION**

**ANNUAL REPORT
for
CALENDAR YEAR 2021**

Presented to the Monroe County Council
Bloomington, Indiana

October 18, 2022

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1. MEMBERS OF THE ADVISORY COMMISSION

John Hamilton	Mayor, Bloomington	2018-present
Cheryl Munson	Monroe County Council	2018-present
Julie Thomas	Monroe County Commissioners	2018-present
Dave Rollo	Bloomington City Council	2022-present
Lennie Bush	One World Enterprises	2018-present
Susan Bright	Nick's English Hut	2019-present
Vacant	Community Representative	

2. MEETING DATES, AGENDAS AND MINUTES

Due to the length of the report, Agendas/Packets and Minutes are available at the link provided below:

<https://www.co.monroe.in.us/department/board.php?structureid=156>

Meeting Dates:

January 21, 2021

February 19, 2021

3. NARRATIVE SUMMARY

This is the third report of the Monroe County Food and Beverage Tax Advisory Commission (FABTAC) and reflects the activity of its fourth year.

The Monroe County Food and Beverage Tax was enabled in 2009 (PL176-2009) by state legislation (IC 6-9-41) and emplaced on qualifying establishments by Resolution 2017-51 of the Monroe County Council on December 12, 2017, with a tax rate of 1.00% on qualifying purchases. The purpose of the tax is to construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects. The resolution provides for the presentation of an annual report of the FABTAC to the Monroe County Council in February, following a one-year period of tax revenue collection, which describes approvals of FAB tax revenue and expenditures by the County and the City of Bloomington, per the requests of their legislative bodies.

Unlike other food and beverage taxes in the state of Indiana, which are either for a city or a county and administered by the State Board of Accounts, Monroe County's tax is split between the City of Bloomington and Monroe County, depending on whether the establishment collecting the tax is located inside or outside of the city limits. According to statute, the distribution of collected funds to the City and the County is administered by the Monroe County Auditor.

Collection of the one-percent Food & Beverage Tax began on February 1, 2018 from the roughly 700 establishments in Monroe County that serve prepared food and drink. The monthly numbers in Section 3 below demonstrate early challenges in initiating the tax. For example, receipts for February and March 2018 are reflected in the March 2018 numbers. The Food and Beverage Tax Advisory Commission did not meet for the first time until July of that year. The ability to accurately split tax revenues between jurisdictions took until December for the Auditor's office to establish; before then, the county received a flat 10 percent of revenue. It took most of the year 2018 for the new tax to be properly implemented.

In 2018 the tax collected amounted to almost 2.6 million, but no money was requested or expended.

In 2019 when all food and beverage establishments paid a full year of taxes, revenues amounted to more than \$3.4 million. The City administration, which had expressed its intent to spend all of its portion of revenues on the project to expand the Convention Center, requested and received approval of more than \$4.5 million to that end, but expended less than \$300,000, mostly on architectural and financial counsel. The County Commissioners requested and received approval for \$60,000 in anticipation of funding land surveys for the Convention Center expansion project

and \$500,000 to acquire property for an eventual limestone-industry related tourist attraction. Neither of these approved requests was appropriated and expended.

In 2020, total tax revenues decreased by more than \$650,000 or 19 percent, amounting to slightly less than \$2.8 million see Table 1. The marked decrease was due to the COVID-19 pandemic, which forced many food and beverage establishments to limit the number of customers and to provide for social distancing and other protective measures. As a result, some establishments were not able to remain in business and others faced severe financial constraints on their ability to operate. The result was a 12.6% decrease in the total number of payers in 2020.

Given the impact on our local businesses and particularly the businesses that are key to tourism, the County and City requested funds from FABTAC to provide financial support for these impacted businesses. The County Commissioners requested and received a total of \$400,000 for a grant program to aide those businesses located in Monroe County and outside of City Limits. The County's appropriation balance held \$8,386 in unexpended funds at the close of 2020. The City Council implemented a similar program for lending no-interest loans to businesses within City limits. The Council requested and received \$2,000,000 from their portion of the FAB funds. Year-end appropriations for the City held \$584,400 unexpended.

In sum, despite funding for the 2020 grant and loan programs of the City and County, and the decline in collected FAB tax revenue, healthy FAB balances remain. Unexpended FAB tax revenue at the end of 2020 is about 62 percent of the total 2018-2020 revenue received by the County and about 78 percent by the City.

The following year, 2021, opened with healthier than expected balances in both the City and County accounts. A resolution requesting to use any and all of the County's portion of FAB tax funds to pay Convention Center debt service and management expenses was approved by the FABTAC on January 21, 2021 and adopted by the County Council on March 9, 2022. Innkeepers Tax revenues are ordinarily sufficient to cover these costs. However, travel industry restrictions due to Covid-19 had left this source insufficient to do so. This was the only request for use of funds submitted to and approved by the FABTAC in 2021.

The City received \$150,000 in loan repayments and disbursed \$122,500 in additional loans. Both City and County year-end balances include December 2020 revenue that was not included in 2021 beginning balances. The ending balances for both City and County do not reflect December 2021 revenue.

4. HISTORICAL SUMMARY OF REVENUE

Table 1. Food and Beverage Tax Revenue, 2018-2021.

FOOD AND BEVERAGE TAX REVENUE, 4 YEAR SUMMARY								
	2018		2019		2020		2021	
	Number of Payers	Tax Revenue Received	Number of Payers	Tax Revenue Received	Number of Payers	Tax Revenue Received	Number of Payers	Tax Revenue Received
Jan	78	\$0	344	\$283,483	346	\$295,742	294	\$215,713
Feb		\$0	308	\$252,917	314	\$244,766	297	\$219,969
Mar		\$89,786	326	\$261,060	316	\$268,389	315	\$246,563
Apr	282	\$225,752	333	\$291,297	275	\$204,682	311	\$270,907
May	274	\$307,319	350	\$343,972	277	\$173,935	317	\$329,783
Jun	256	\$210,844	309	\$271,540	255	\$163,874	329	\$321,524
Jul	290	\$267,313	358	\$293,934	289	\$208,460	323	\$294,735
Aug	298	\$253,573	316	\$229,573	287	\$202,637	339	\$297,341
Sep	268	\$232,770	332	\$267,761	309	\$273,866	337	\$337,204
Oct	324	\$396,284	348	\$340,956	300	\$244,735	331	\$362,724
Nov	308	\$273,129	321	\$289,188	292	\$247,059	345	\$358,402
Dec	336	\$302,102	335	\$321,528	309	\$264,519	349	\$372,121
Subtotal		\$2,558,872		\$3,447,209		\$2,792,664		\$3,626,987
Total		\$2,558,872		\$3,447,209		\$2,792,664		\$3,626,987

Figure 1. County and City Food and Beverage Tax Revenue, 2018-2021.

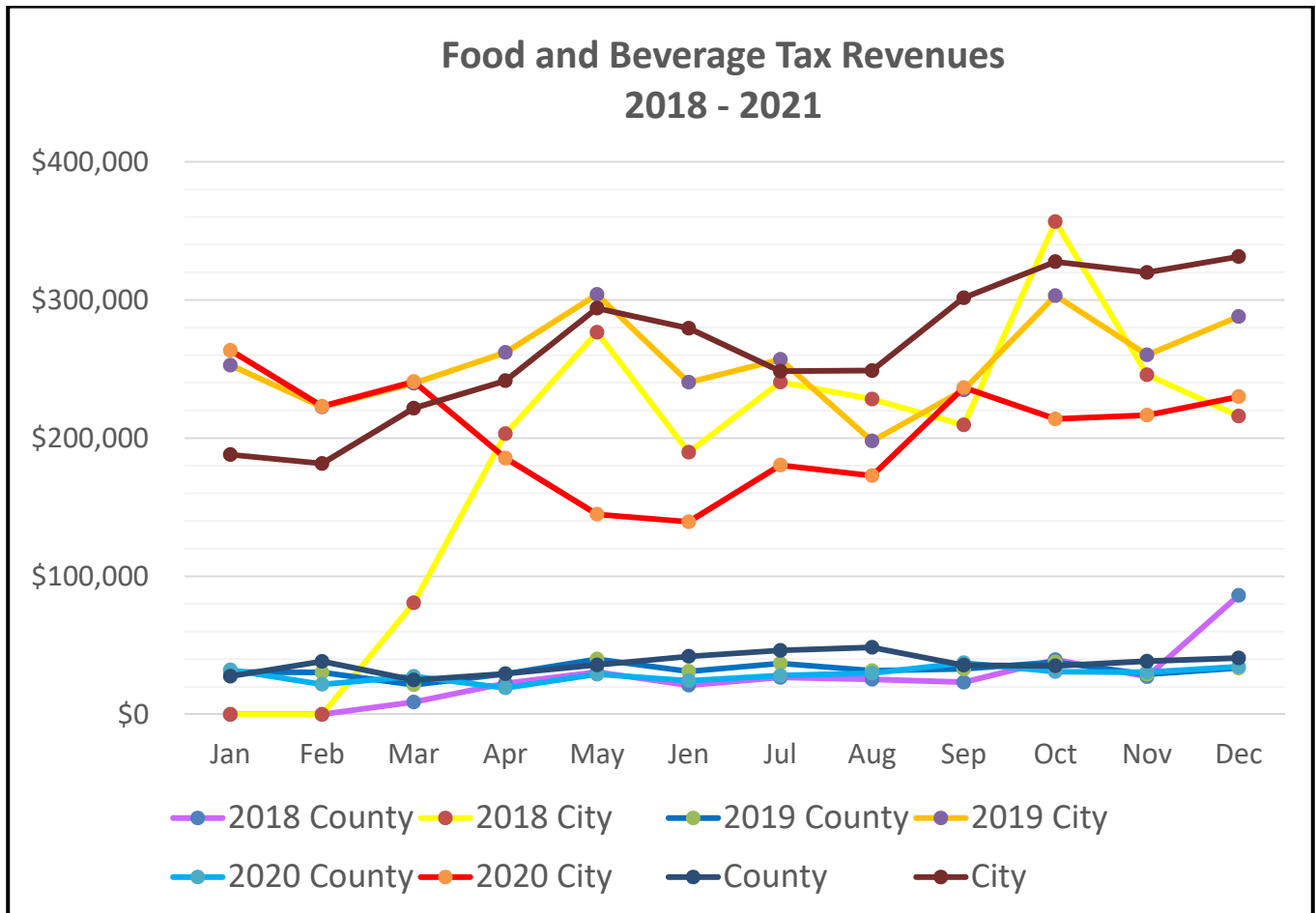


Figure 2. Comparison of Food and Beverage Tax Revenues 2018 to 2019.

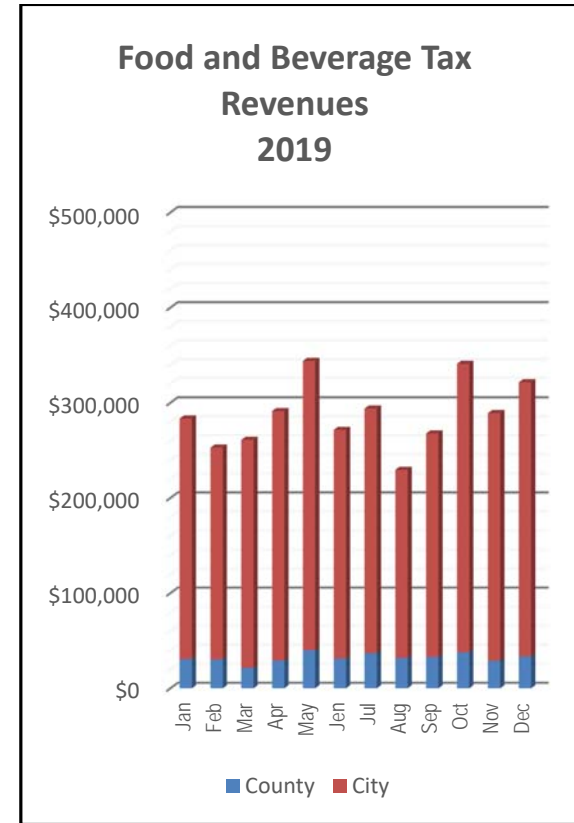
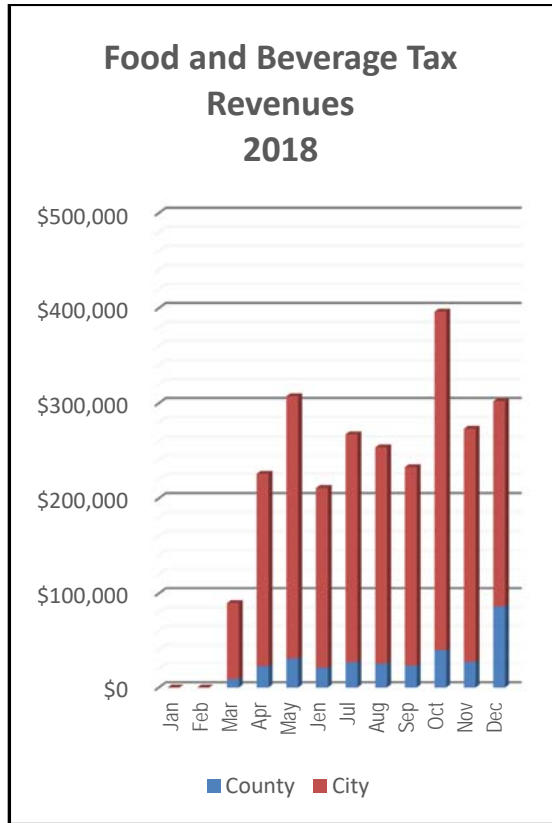
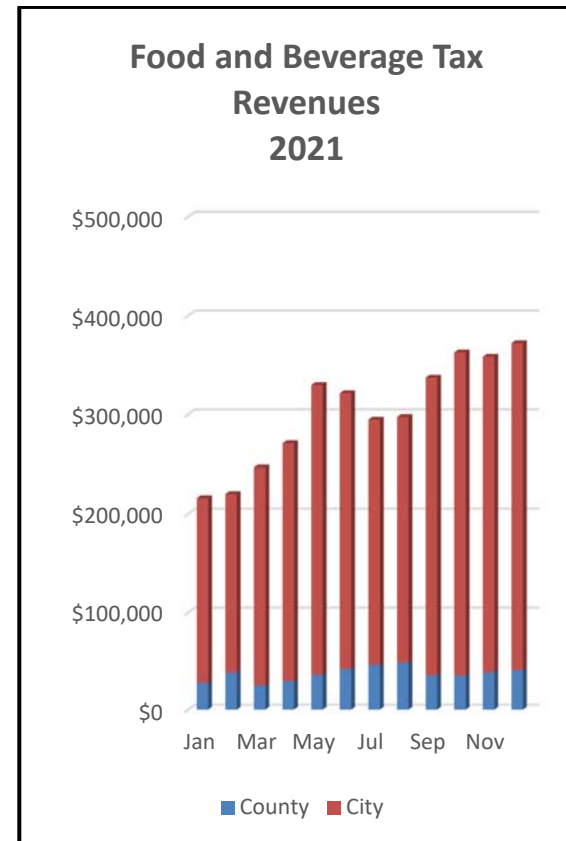
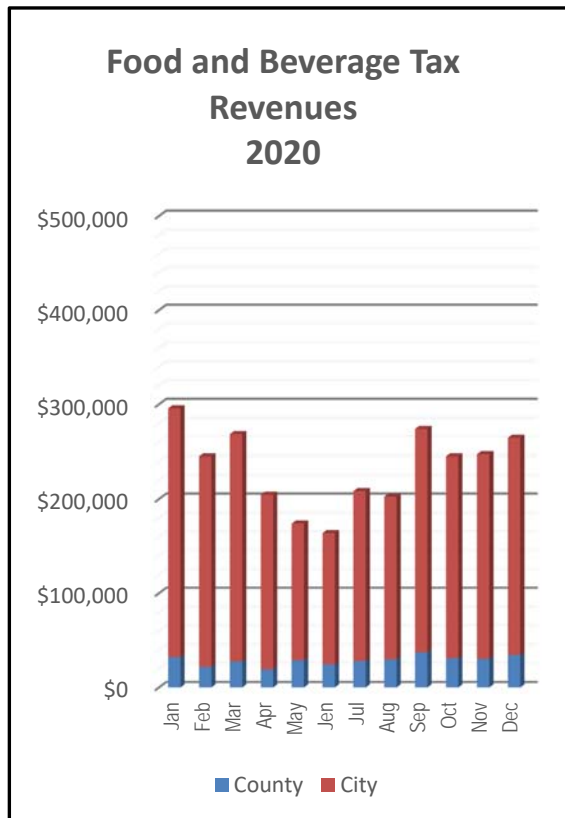


Figure 3. Comparison of Food and Beverage Tax Revenues 2020 - 2021.



5. REVENUE DETAIL

Table 2. 2021 Food and Beverage Revenue as Distributed.

Food and Beverage Tax Distribution			
2021	Amount Received	City	County
January	\$215,713.13	\$188,051.73	\$27,661.40
February	\$219,968.97	\$181,568.98	\$38,399.99
March	\$246,562.87	\$221,662.21	\$24,900.66
April	\$270,906.81	\$241,495.42	\$29,411.39
May	\$329,783.34	\$293,977.26	\$35,806.08
June	\$321,524.05	\$279,492.80	\$42,031.25
July	\$294,734.53	\$248,405.99	\$46,328.54
August	\$297,340.67	\$248,827.09	\$48,513.58
September	\$337,204.31	\$301,543.15	\$35,661.16
October	\$362,724.29	\$327,656.34	\$35,067.95
November	* \$358,402.28	\$319,891.48	\$38,510.80
December	\$372,121.37	\$331,340.35	\$40,781.02
YTD 2021 Total	\$3,626,986.62	\$3,183,912.80	\$443,073.82

*The actual amount received in November was greater than the amount listed in the table due to an overpayment of \$11.11 by the state, which was refunded in December.

6. EXPENDITURE REQUESTS AND COMMISSION APPROVALS

COUNTY \$300,000.00 March 9, 2021 Requested; Approved

7. SUMMARY OF 2021 CASH RECEIPTS AND EXPENDITURES

A. 2021 Beginning Balance (January 1, 2021)

COUNTY \$ 650,624.22

CITY \$6,067,539.01

B. 2021 Revenue Received

COUNTY \$443,073.82

CITY \$3,333,912.80

(Tax Distributions: \$3,183,912.80 +
Loan repayments: \$150,000)

C. 2021 Expenditures

COUNTY \$300,000.00

CITY \$122,500.00

D. 2021 Year-End Balances (December 31, 2021)

COUNTY \$752,917.03

CITY \$9,022,600.77

8. 2021 EXPENDITURE DETAIL

COUNTY Total: \$300,000.00

(Convention Center debt service
and management expense)

CITY \$122,500.00

Table 3. 2021 City Expenditures of FAB Appropriations.

DATE	RECIPIENT	AMOUNT	EXPENDITURE TYPE
12/08/21	Cherry Canary Vintage Clothing	\$37,500.00	RRF Loans
12/08/21	InBloom Juicery	\$35,000.00	RRF Loans
12/08/21	University Club of IU	\$25,000.00	RRF Loans
12/08/21	The Bike Shop	\$25,000.00	RRF Loans

9. STATEMENT OF THE COMMISSION’S APPROVAL

This Annual Report is hereby accepted and shall be presented to the Monroe County Council as required by Ordinance 2017-51, Section 9. The signatures affixed hereto reflect unanimous approval of the Food and Beverage Tax Advisory Commission.

“AYES”

“NAYS”

Cheryl Munson, Chair

Cheryl Munson, Chair

Dave Rollo, Vice Chair

Dave Rollo, Vice Chair

Susan Bright

Susan Bright

Lennie Busch

Lennie Busch

John Hamilton

John Hamilton

Julie Thomas

Julie Thomas

Vacant

Vacant



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Tony Suttle



FOOD AND BEVERAGE TAX ADVISORY COMMISSION SUMMARY MINUTES Friday, February 19, 2021 at 11:00 AM MEETING CONNECTION VIA ZOOM

Members

Present – Cheryl Munson, Chairperson
Present – Ron Smith, Vice-Chair
Present – John Hamilton
Present – Julie Thomas
Present – Susan Bright
Present – Lennie Busch
Present – Tony Suttle

Staff

Present – Kim Shell, Council Admin.
Present – Margie Rice, Legal Council
Present – Meghan Miller, Council Assistant

1. CALL MEETING TO ORDER

Cheryl Munson called the meeting to order at 11:00 a.m.

2. ROLL CALL

Meghan Miller called the Roll. All Commission members present.

3. MONTHLY FOOD AND BEVERAGE REPORT, Christopher Muench - December 2020

Chris Muench stated that he had just received the January 2021 revenues two days ago and had not been able to fully audit it yet. That will be done next week. Chris will send out his report as soon as his audit is finished. December 2020 figures are included in the Annual Report.

4. FOOD AND BEVERAGE ANNUAL REPORT, Cheryl Munson

Munson stated that the FBTAC Annual Report is due to be presented to the County Council on February 23rdth. She also explained how the report was put together.

Smith moved to approve the report. Thomas seconded the motion.

Commission discussion ensued on changes/corrections to the report. Changes made and approved by the Commission will be corrected prior to distribution of the Annual Report.

Munson called for a Roll Call vote on the Annual Report with corrections.

Miller called the Roll:

Munson Yes
Smith Yes
Hamilton Yes
Bright Yes
Busch Yes
Thomas Yes
Suttle Yes

Motion passed 7-0; Unanimous

5. APPROVAL OF SIGNATURE PROCESS FOR DOCUMENTS APPROVED BY COMMISSION

Staff requests that the Commission approve a process whereby all documents formally approved by the Commission are affixed with the Chair's signature only. The Commission's Memorandum or Minutes will reflect approval and the Chair's signature, which may be electronic, will reflect and affirm approval by a majority of the Commission.

Munson introduced this Agenda item. Discussion among Commission members ensued on the Pros and Cons.

Thomas made a motion to utilize signatures of the Chair and Vice Chair to represent the majority vote of the FABTAC members.

Smith seconded the motion. No further discussion on this. No public comment. Munson called for a Roll Call vote.

Miller called the Roll:

Smith Yes
Hamilton Yes
Bright Yes
Busch Yes
Thomas Yes
Suttle Yes
Munson Yes

Motion passed 7-0; Unanimous

6. APPROVAL OF SUMMARY MINUTES

- February 10, 2020 (PAGE 16)
- March 24, 2020 (PAGE 20)
- March 27, 2020 (PAGE 23)
- May 5, 2020 (PAGE 26)
- May 26, 2020 (PAGE 29)
- June 16, 2020 (PAGE 32)
- January 21, 2021 (PAGE 35)

Thomas made a motion to approve Summary Minutes from:

February 10, 2020
March 24, 2020
March 27, 2020
May 5, 2020
May 26, 2020
June 16, 2020
January 21, 2021

Smith seconded the Motion.

Discussion ensued. Mr. Smith will abstain from voting on any meetings that he did not attend. Munson called for a Roll Call vote.

Miller called the Roll:

Hamilton	Yes
Bright	Yes
Busch	Yes
Thomas	Yes
Suttle	Yes
Munson	Yes
Smith	Abstain

Motion passed 6-0; Majority

7. FUTURE MEETING DATES DISCUSSION

Munson introduced discussion. Meetings will be called as needed. Meetings will be held on Friday. The Monthly Food and Beverage Report will be sent to each Commission member for their review.

8. ADJOURNMENT

Meeting adjourned at 11:30 a.m.

* * * * *

The signatures of the Chair and Vice-Chair of the Food and Beverage Tax Advisory Commission (FABTAC), affixed below, indicate approval by at least a majority of the Commission members. The approval was obtained during the February 19, 2021 public meeting and is evidenced in the minutes of the Commission.

FABTAC Chair

FABTAC Vice-Chair