

**FOOD & BEVERAGE TAX ADVISORY
COMMISSION**

ANNUAL REPORT

For

CALENDAR YEARS 2022-2023

Presented to the Monroe County Council
Bloomington, Indiana

May 14, 2024

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Members of the Advisory Commission

Gretchen Knapp	Mayor's Office Representative	2024-present
Cheryl Munson	Monroe County Council	2018-present
Julie Thomas	Monroe County Commissioners	2018-present
Andy Ruff	Bloomington City Council	2024-present
Lennie Busch	One World Enterprises	2018-present
Mark Bell	Trailhead Pizzeria	2023-present
Vacant	Community Representative	

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/departments/board.php?structureid=156>

Meeting Dates:

March 28, 2024

April 26, 2024

Narrative Summary

This is the fourth report of the Monroe County Food and Beverage Tax Advisory Commission (FABTAC).

The Monroe County Food and Beverage Tax was established 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. County Council Resolution 2024-14 provides for the presentation of an annual report of the FABTAC to the Monroe County Council at their first meeting in May, which describes approvals of Food and Beverage tax revenue and expenditures by Monroe County and the City of Bloomington.

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 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 Figure 1 of this report demonstrate early challenges in initiating the tax. For example, receipts for February and March 2018 are reflected in 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 and legislative body, which had expressed its intent to spend 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 those approved requests was appropriated or expended.

In 2020, total tax revenues decreased by more than 19 percent 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 County Commissioners requested and received a total of \$400,000 for a grant program to aide those businesses located in Monroe County and outside 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 City Council requested and received \$2,000,000 from their portion of the food and beverage funds. Year-end appropriations for the City held \$584,000 unexpended. Despite grant and loan funding, and decline in revenue, healthy FAB balances remained. Unexpended FAB tax revenue at the end of 2020 was about 62 percent of the total 2018-2020 revenue received by the County and about 78 percent by the City.

In 2021, the City and County opened with healthier than expected balances. 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 01-21-2021 and adopted by the County Council on 03-09-2022. 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. The City received \$150,000 in loan repayments and disbursed \$122,500 in additional loans. Both City and County beginning and ending year-end balances include accrued December distributions that were received the following month.

In 2022, the City continued to receive loan repayments that were placed back into the Food and Beverage fund totaling \$684,343.60, and expended \$21,627.14 for a reimbursement and deposit corrections. The County did not disburse funds for additional grants or expenses.

In 2023, the City continued to receive loan repayments totaling \$945,401.90, and neither disbursed fund nor requested additional funds. Similarly, the County did not disburse funds for additional grants or expenses.

In 2024, with the appointment of the Capital Improvement Board (CIB), planning and expenditures for the City will be focused primarily on the Convention Center expansion project. Planning and expenditures for the County will be focused on tourism-related expenses.

Figure 1**Historical Summary of Revenue for Monroe County and City of Bloomington**

Food and Beverage Tax Revenue, 2018-2023

	FOOD AND BEVERAGE TAX YEAR TO YEAR COMPARISON											
	2018		2019		2020		2021		2022		2023	
	Number of PAYERS	TOTAL RECEIVED	Number of PAYERS	TOTAL RECEIVED	Number of PAYERS	TOTAL RECEIVED	Number of PAYERS	TOTAL RECEIVED	Number of PAYERS	TOTAL RECEIVED	Number of PAYERS	TOTAL RECEIVED
January	78	\$89,786	344	\$283,484	346	\$295,742	294	\$215,713	338	\$310,295	369	\$364,807
February			308	\$252,916	314	\$244,766	297	\$219,969	326	\$298,643	360	\$404,946
March			326	\$261,060	316	\$268,389	315	\$246,563	333	\$323,327	363	\$374,870
April	282	\$225,752	333	\$291,297	275	\$204,682	311	\$270,907	331	\$337,362	356	\$392,292
May	274	\$307,319	350	\$343,972	277	\$173,935	317	\$329,783	341	\$371,777	372	\$426,220
June	256	\$210,844	309	\$271,540	255	\$163,874	329	\$321,524	350	\$357,556	373	\$355,984
July	290	\$267,313	358	\$293,934	289	\$208,460	323	\$294,735	349	\$346,219	365	\$338,740
August	298	\$253,563	316	\$229,573	287	\$202,637	339	\$297,341	355	\$333,884	371	\$332,210
September	268	\$232,770	332	\$267,760	309	\$273,866	337	\$337,204	340	\$340,325	368	\$364,069
October	324	\$396,284	348	\$340,956	300	\$244,735	331	\$362,724	354	\$396,236	376	\$448,562
November	308	\$273,129	321	\$289,188	292	\$247,059	345	\$358,413	354	\$404,407	373	\$409,788
December	336	\$302,102	335	\$321,528	309	\$264,519	349	\$372,121	358	\$384,537	369	\$361,721
TOTALS		\$2,558,862		\$3,447,210		\$2,792,664		\$3,626,998		\$4,204,567		\$4,574,211

GRAND TOTAL: \$21,204,512.35

Figure 2
County and City Food and Beverage Tax Revenue, 2018-2023

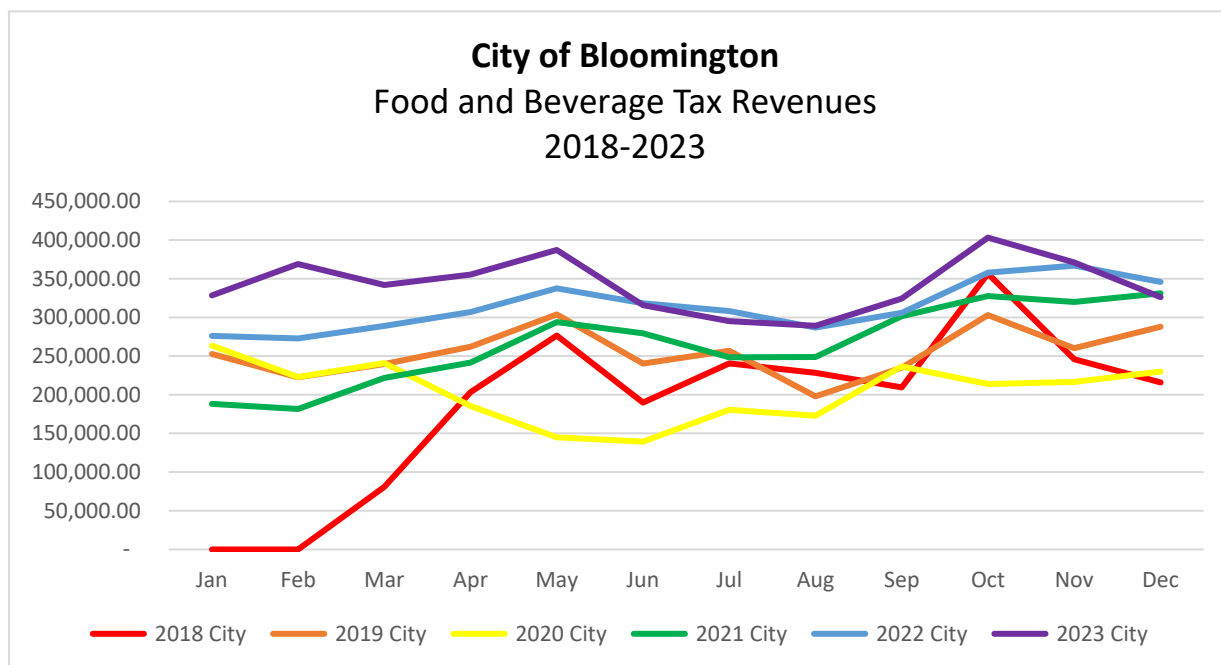
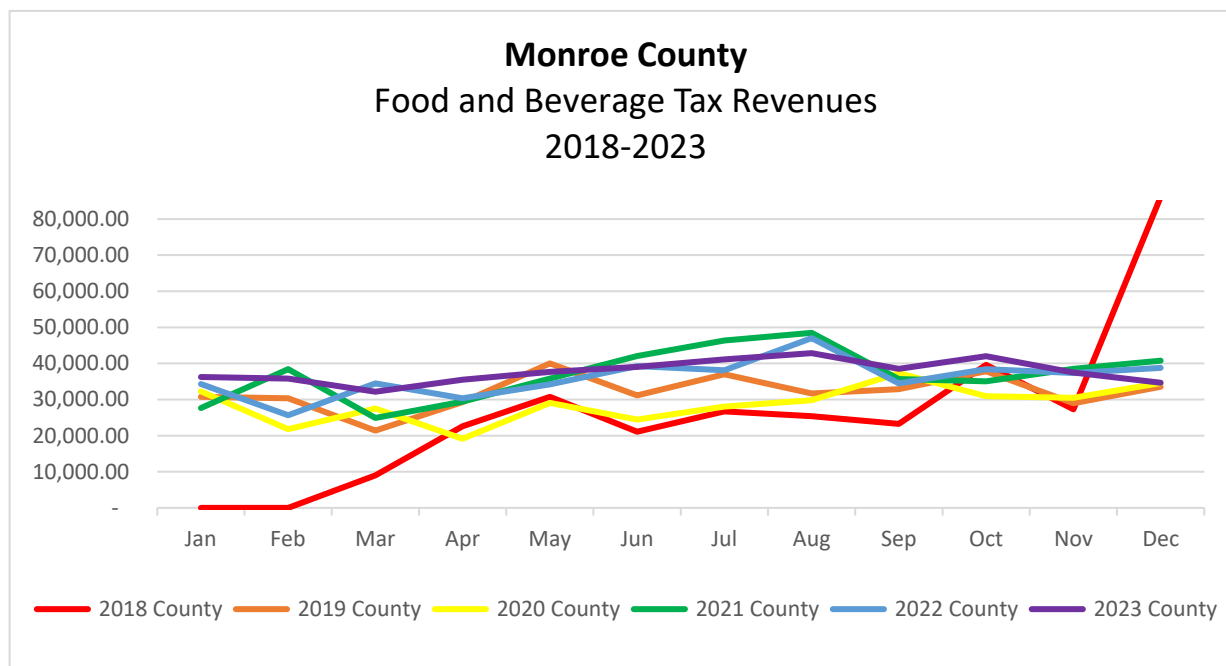


Figure 3
Comparison of Food and Beverage Tax Revenues 2018-2023



Figure 44**Revenue Detail**

2022 Food and Beverage Revenue as Distributed

Food and Beverage Tax Distribution			
2022	Amount Received	City	County
January	\$310,294.58	\$276,019.29	\$34,297.51
February	\$298,642.90	\$272,962.50	\$25,680.41
March	\$323,327.41	\$288,874.83	\$34,452.58
April	\$337,361.78	\$307,008.65	\$30,353.13
May	\$371,776.97	\$337,562.64	\$34,214.33
June	\$357,556.21	\$318,300.38	\$39,255.83
July	\$346,218.88	\$308,133.13	\$38,085.75
August	\$333,884.01	\$286,828.85	\$47,055.16
September	\$340,324.78	\$305,831.15	\$34,493.63
October	\$396,236.39	\$357,837.47	\$38,398.92
November	\$404,406.76	\$367,053.79	\$37,352.97
December	\$384,536.73	\$345,767.50	\$38,769.23
2022 Total	\$4,204,567.40	\$3,772,180.18	\$432,409.45

2023 Food and Beverage Revenue as Distributed

Food and Beverage Tax Distribution			
2023	Amount Received	City	County
January	\$364,806.60	\$328,548.27	\$36,258.33
February	\$404,946.47	\$369,129.84	\$35,816.63
March	\$374,870.16	\$341,839.79	\$32,197.67
April	\$392,292.17	\$355,292.84	\$35,507.86
May	\$426,220.44	\$387,262.38	\$37,644.27
June	\$355,984.49	\$315,835.72	\$39,023.77
July	\$338,740.38	\$295,134.30	\$41,109.91
August	\$332,209.56	\$289,347.35	\$42,862.21
September	\$364,069.10	\$324,379.24	\$38,508.28
October	\$448,562.38	\$403,358.01	\$41,999.96
November	\$409,787.85	\$371,020.95	\$37,482.94
December	\$361,721.22	\$326,238.60	\$34,644.54
2023 Total	\$4,574,210.82	\$4,107,387.29	\$453,056.37

Summary of Cash Receipts and Expenditures

2022 COUNTY

Beginning Balance:

\$752,917.03

Revenue Received:

\$434,421.24

Expenditures:

\$0

Year-End Balance:

\$1,187,338.27

CITY

Beginning Balance:

\$9,022,600.77

Revenue Received:

\$4,095,665.81

Expenditures:

\$21,627.14

Year-End Balance:

\$13,096,639.44

City of Bloomington Expenditure Detail

June 8, 2022: \$20,000 *(Deposit correction for Bloomington Massage and Body Works)*

June 8, 2022: \$542.38 *(Deposit correction for PALS)*

August 5, 2022: \$1,084.76 *(Reimburse Bloomington Urban Enterprise Association for check erroneously deposited in City of Bloomington account)*

2023 COUNTY

Beginning Balance:

\$1,187,338.27

Revenue Received:

\$459,146.92

Expenditures:

\$0

Year-End Balance:

\$1,646,485.19

CITY

Beginning Balance:

\$13,096,639.44

Revenue Received:

\$4,360,721.92

Expenditures:

\$0

Year-End Balance:

17,457,361.36

Expenditure Requests and Commission Approvals 2022-2023

None.

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 2024-14. The signatures affixed hereto reflect unanimous approval of the Food and Beverage Tax Advisory Commission.

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Mark Bell, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Lennie Busch, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Gretchen Knapp, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Cheryl Munson, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Andy Ruff, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
Julie Thomas, Member

☐ Aye ☐ Nay ☐ Abstain ☐ Not Present _____
VACANT