



MEMO FROM COUNCIL OFFICE:

To: Members of the Common Council

From: Stephen Lucas, Council Administrator/Attorney

Date: April 5, 2024

Re: [Resolution 2024-10](#) - To Approve of a 2024 Budget for the Monroe County Capital Improvement Board of Managers

Synopsis

This resolution approves of a 2024 budget for the Capital Improvement Board to be funded through the use of previously-appropriated city food and beverage tax funds.

Relevant Materials

- [Resolution 2024-10](#)
- Exhibit A – Proposed 2024 Capital Improvement Board Budget and Memo
- City of Bloomington Food and Beverage Funds Plan for 2024
- Memo from CIB
- City of Bloomington Food & Beverage Funds Plan for 2024
- Food and Beverage Tax Advisory Commission – Written Recommendations

Summary

In 2017, through [Resolution 17-38](#), the Bloomington Common Council supported the passage of a county-wide food and beverage tax to fund expansion of the Monroe County Convention Center. Shortly thereafter, the Monroe County Council adopted an ordinance imposing a food and beverage tax, which has been collected since that time. The tax is authorized by state law ([Indiana Code 6-9-41](#)) and may be used only to finance, refinance, construct, operate, or maintain a convention center, a conference center, or related tourism or economic development projects (I.C. 6-9-41-15(a)).

Under state law (I.C. 6-9-41-15(b)), the city is required to develop a written plan before December 1 each year and submit that plan to the state with the following information:

1. Proposed use of food and beverage tax funds for the upcoming calendar year;
2. Detailed use of funds in the current and prior calendar years; and
3. Fund balance as of January 1 of the current calendar year.

A written plan (included in this packet) was submitted by the city in 2023. The plan stated that in 2024 the city anticipated using food and beverage tax revenues for (among other things) the following purposes:



City of Bloomington Indiana

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1. To pay the expenses associated with creating a nonprofit building corporation to issue debt in support of design and construction of the Convention Center expansion.
2. Under an appropriate agreement with the CIB [Monroe County Capital Improvement Board of Managers,], to pay the CIB’s personnel and administrative expenses during the design and construction phase of the expansion project, including the hiring of counsel and a controller.

State law (I.C. 6-9-41-15(c)) requires that the city spend its food and beverage tax receipts according to this written plan. If the county and the city fail to spend money from their respective food and beverage tax receipts funds in accordance with these written plans before July 1, 2025, the ordinance establishing the food and beverage tax becomes void and no new revenue would be collected. (I.C. 6-9-41-15.5)

Under an interlocal cooperation agreement with the county (recently approved via [Resolution 2024-02](#)), the CIB has authority to determine its budget solely with the Common Council, using city food and beverage tax revenues or any other city-designated funds needed to pay for the hiring/retention of relevant support staff.

The CIB has submitted a 2024 budget request for the Council’s consideration. As part of the statutorily-required process to use food and beverage tax funds, the Council must request that the [Food and Beverage Tax Advisory Commission](#) (FABTAC) make a recommendation on the use of food and beverage tax funds. The FABTAC met on March 28, 2024 after receiving the Council’s request for a recommendation made via [Resolution 2024-06](#). The FABTAC recommended approval of the CIB budget of \$250,000, and the FABTAC’s written recommendations are included in this packet.

Contact

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