

**MEMORANDUM NO. M17-075**

**TO: A&F Committee**  
**FROM: Dean Bostrom, Executive Director**  
**Craig Talsma, Deputy Director/Director A&F**  
**Brian Bechtold, Director Golf Operations**  
**RE: Beverage Sales Tax Increase**  
**DATE: June 23, 2017**

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**Background**

Effective July 1, 2017, the new Cook County Sweetened Beverage Tax will affect all businesses within Cook County boundaries. This tax requires that all businesses pay up front for the purchase of any fountain type drink or bottled beverage. Though the tax was stipulated for sweetened beverages, it includes all beverages including soft drinks, sports drinks, iced tea, and lemonade. The estimated tax is 25 cents per 16 oz. serving, whether this is done through a fountain dispenser or purchased as a bottle.

**Implications**

This mainly affects BPC with regard to their beverage service. (Flores and vending machines provide beverages at our other facilities). At BPC we currently are at a price point for bottled beverages of \$3 and fountain service drinks of \$2. Staff feels this is a good price point and increasing it at this point may not be wise. Staff would like to evaluate this throughout the rest of the season prior to increasing this price point. It is realized that the tax we pay up front on the purchase of bottled drinks and "bag in the box syrup" will increase our cost of goods without offsetting additional revenue.

Additionally, BPC currently offers free fountain drinks to all employees and free refills for all fountain service drinks. In order to not incur the additional tax on these items, staff is proposing that we charge employees 50 cents for fountain service drinks and 25 cents for refills. The only board action that is required is to adjust our personnel policy manual to state that "Employees shall pay 50 cents for all fountain service drinks and 25 cents for refills at Bridges of Poplar Creek".

**Recommendation**

Staff is recommending updating the personnel policy manual (Section XI Employee Benefits, Use of District Services, Paragraph 8) to state "Employees shall pay 50 cents for all fountain service drinks and 25 cents for refills at Bridges of Poplar Creek".