



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office		(2) MEETING DATE 11/6/2018		(3) CONTACT/PHONE Nikki J. Schmidt 805/781-5496	
(4) SUBJECT Presentation of the San Luis Obispo County Tourism Marketing District's (TMD) FY 2017-18 Annual Report (Clerk's File) presented by Visit SLO CAL. All Districts.					
(5) RECOMMENDED ACTION It is recommended that the Board receive and file the FY 2017-18 annual report of the County's Tourism Marketing District.					
(6) FUNDING SOURCE(S) N/A		(7) CURRENT YEAR FINANCIAL IMPACT \$0.00		(8) ANNUAL FINANCIAL IMPACT \$0.00	
(9) BUDGETED? No					
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min</u>)					
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A					
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A				(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A		(15) BUSINESS IMPACT STATEMENT? No		(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>3-6-18, item #26</u>	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.					
(18) SUPERVISOR DISTRICT(S) All Districts					



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 11/6/2018

SUBJECT: Presentation of the San Luis Obispo County Tourism Marketing District's (TMD) FY 2017-18 Annual Report (Clerk's File) presented by Visit SLO CAL. All Districts.

RECOMMENDATION

It is recommended that the Board receive and file the FY 2017-18 annual report of the County's Tourism Marketing District.

DISCUSSION

The Board approved the formation of the TMD on June 10, 2015, which included approval of the Management District Plan. The collection of the 1% assessment began on July 1, 2015.

The Owner's Association agreement with Visit SLO CAL requires that within 60 days after the close of the fiscal year, they provide an annual report to the County of San Luis Obispo. Specifically, Section 2.4 of the agreement reads:

2.4 Within 60 days after each fiscal year end (June 30), Contractor shall submit to the County Administrative Officer an annual report that will include a complete accounting of Assessment revenues received, detailed expenditures paid, and the surplus or deficit to be carried over to the following year.

In addition, the Owner's Association requires an annual audit of the TMD. Section 3 of the agreement reads (in part):

3. Contractor shall maintain such records and accounts in accordance with general accounting practices. In addition, Contractor shall maintain such records and accounts as may be required by the County for no less than seven (7) years. Contractor shall have its financial statements audited annually by an independent certified public accountant licensed by the State of California and approved in advance by the County's Auditor-Controller-Treasurer-Tax Collector. Said audit shall be delivered to the County within thirty (30) days after the completion of the audit, and no later than June 20th of the year following the date of the financial statements.

The County Auditor-Controller-Treasurer-Tax Collector approved the use of Burkart & Stevens to perform the audit which is included as an attachment to this staff report.

OTHER AGENCY INVOLVEMENT/IMPACT

The County has two appointed seats on the TMD's Board of Directors. The County Administrative Officer and Supervisor Compton sit on the TMD's Advisory Committee along with councilmembers and/or mayors from each city.

FINANCIAL CONSIDERATIONS

There are no financial impacts related to this item. Since July 1, 2015, the TMD has been financed through the collection of a 1% assessment levied on the paid rent charged per occupied room per night for all lodging businesses within the County who pay Transient Occupancy Tax (TOT). Revenue raised by this assessment was projected, at the time of the TMD's formation, to be \$3 million per year for the initial five (5) year term that it will be collected.

RESULTS

The County has not established any performance criteria beyond the legal contractual obligation to expend the funds for identified purposes. The onus would be on the contracted Owners' Association to meet the expectations included in the Management District Plan and District Marketing Plan when it is developed as well as the expectations of the lodging business owners collecting the assessment. It is expected the Owners' Association Board of Directors will develop measures that will track the success of the management district plan and any subsequent marketing plan programs.

ATTACHMENTS

1. FY 2017-18 Audit
2. FY 2017-18 Annual Report - Clerk Filed statement
3. PowerPoint presentation