



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 10/8/2019

To: Sonoma County Board of Supervisors

Department or Agency Name(s): Sonoma County Economic Development Board

Staff Name and Phone Number: Sheba Person-Whitley (707) 565-7170

Vote Requirement: Majority

Supervisorial District(s): All

Title:

Sonoma County Tourism Bureau Agreement

Recommended Action:

Authorize the Economic Development Executive Director to execute an agreement with Sonoma County Tourism Bureau, Inc. to provide services and programs promoting tourism in Sonoma County for the period of July 1, 2019 to June 30, 2021.

Executive Summary:

The Sonoma County Tourism Bureau Agreement will provide services and programs promoting tourism in Sonoma County for fiscal years 2019-20 and 2020-21. The Agreement is funded by 1.25% of the first 9% of Transient Occupancy Tax (TOT) collected in the unincorporated areas of Sonoma County each fiscal year.

Discussion:

The Sonoma County Tourism Bureau (SCTB) receives funding from the County of Sonoma's Transient Occupancy Tax. TOT is authorized under State Revenue and Taxation Code Section 7280, as an additional source of non-property tax revenue to local government. This tax is levied in Sonoma County at a rate of 12% for accommodations at lodging and camping facilities in the unincorporated areas of the County. TOT funds are discretionary, in that the Sonoma County Board of Supervisors (Board) may direct use of these funds for any legitimate county expense and may grant funds that benefit the community in accordance with Government Code section 26100(a)(2) and Government Code section 26227.

In October 2017, the Board adopted the Community Investment Fund Policy, which renamed and reorganized the Advertising and Promotions Policy. The new policy provided for the first 9% of TOT collected to be split into four major program areas: Economic and Workforce Development; Community Services and Safety; Community Non-Profit Grants; and Program Integrity and Administration. Funding for SCTB falls under Economic and Workforce Development, as tourism and visitor revenue are strong contributors to Sonoma County's vibrant economy.

In April 2019, the Board approved the Community Investment Fund Program Policy and four year funding allocations for Transient Occupancy Tax. Based on projected revenues, an allocation of \$2,271,209 was recommended for fiscal year 2019-20, and \$2,391,968 for fiscal year 2020-21. From those allocations, \$347,400 was to be used each fiscal year to fund Visitor Center contracts.

Under this Agreement, the SCTB will:

- Provide and fund projects and activities to promote tourism in Sonoma County
- Draft an Annual Report detailing activities performed under this agreement
- Provide the Director of the Economic Development Board (EDB) a summary report on outcomes
- Provide return on investment (ROI) measures to be determined through mutual agreement between SCTB and the Director of the EDB
- Maintain financial records related to receipt and expenditure of funds received from the County, provide annual audits, and comply with a travel and meal reimbursement policy.

During the 2019-20 budget hearings the Board approved up to \$2,271,209 in funding for SCTB, with \$347,400 of that dedicated to funding of Visitor Center contracts. An additional \$398,491 of one-time funding was approved in order to offset the cost of funding visitor centers and the 2.2% budget reduction. Per the Community Investment Fund Policy, the County's TOT contribution to the SCTB will be equivalent to 1.25% of the first 9% of TOT collected in the unincorporated areas of Sonoma County.

SCTB has submitted financial audits completed as stipulated in previously approved contractual agreements. As a result, SCTB has updated policies and procedures in accordance with recommendations and audit findings.

Prior Board Actions:

06/13/19 - Adopted the Fiscal Year 2019-20 Budget, which included an additional \$398,491 of one-time funding for the SCTB.

04/16/2019 - Approved Community Investment Fund Program Policy and four year funding allocations for Transient Occupancy Tax and directed staff to implement in FY 19-20

10/03/2017 - Authorized the County Administrator to execute an Agreement with Sonoma County Tourism Bureau for services and programs promoting tourism in Sonoma County.

10/07/08 - Approved and authorized the Chair to execute an Agreement with the Sonoma County Tourism Bureau.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	2,322,300	2,391,968	2,463,727
Additional Appropriation Requested			
Total Expenditures	2,322,300	2,391,968	2,463,727
Funding Sources			
General Fund/WA GF			

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State/Federal			
Fees/Other	2,322,300	2,391,968	2,463,727
Use of Fund Balance			
Contingencies			
Total Sources	2,322,300	2,391,968	2,463,727

Narrative Explanation of Fiscal Impacts:

Funds for the SCTB agreement were approved as part of the fiscal year 2019-2020 budget process. Projected expenses for fiscal years 20-21 and 21-22 are based on the Community Investment Fund Program Policy and four year funding allocations for TOT, approved by the Board on April 16, 2019.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Attachment 1 - Copy of Agreement with Sonoma County Tourism Bureau, Inc.
Attachment 2 - Audited Financials 6-30-17
Attachment 3 - Audited Financials 6-30-18
Attachment 4 - Travel & Meal Audit 6-30-18
Attachment 5 - Travel & Meal Audit 6-30-17
Attachment 6 - Community Investment Fund Policy

Related Items "On File" with the Clerk of the Board: