

MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

OVERSIGHT COMMITTEE

Pamela Lichtenwalner  
CHAIR

Scoby Zook  
VICE CHAIR

Allan Bortel  
Kirk Marckwald  
Michelle Clein

STAFF

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Marin County Civic Center  
3501 Civic Center Drive  
Suite 308  
San Rafael, CA 94903

April 18, 2023

Marin County Board of Supervisors  
3501 Civic Center Drive  
San Rafael, CA 94903



**SUBJECT:** Measure W West Marin Transient Occupancy Tax (TOT) Oversight Committee's review of the County of Marin's Measure W TOT Compliance Audit Report for the period of July 1, 2021 to June 30, 2022.

Dear Board Members,

**RECOMMENDATION:**

1. Accept the Measure W TOT Oversight Committee Report for the Audit period of July 1, 2021 to June 30, 2022.

**SUMMARY:**

The Measure W West Marin TOT Oversight Committee exists by virtue of Marin County Ordinance No. 3692 which was approved by your Board on July 31, 2018. Measure W was approved by Marin County voters on November 6, 2018.

The purpose of the Oversight Committee is to review, the expenditures of Measure W transient occupancy tax to ensure that the allocations are within the boundaries of West Marin Tax Area and for the purposes approved by the voters on an annual fiscal year basis.

**DISCUSSION:**

On an annual basis the Oversight Committee is responsible for ensuring compliance with the Measure's requirements and communicating their review to the Marin County Board of Supervisors. To facilitate this, an annual audit of the of the revenues and expenditures of the West Marin Transient Occupancy Tax is provided to the Committee by the Department of Finance.

The letter enclosed from the Chair of the Oversight Committee expresses concurrence that for fiscal year for 2021-2022 Measure W Audit report demonstrated the tax revenues and expenditures were allocated within the boundaries of West Marin and used by fire/emergency and community housing according to the guidelines in place from Ordinance 3692.

CASB

**FISCAL IMPACT:**

There is no impact to the General Fund net County costs as a result of the Board's action.

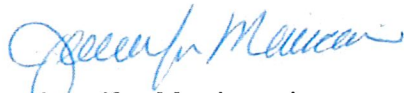
**EQUITY IMPACT:**

The Measure W West Marin TOT area was established in recognition of the impacts of visitors to this area. The additional transient occupancy tax approved by the measure provides increased funding for enhanced fire/emergency services and long-term community housing to stabilize the community.

**REVIEWED BY:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Department of Finance         | <input type="checkbox"/> N/A            |
| <input checked="" type="checkbox"/> County Administrator's Office | <input type="checkbox"/> N/A            |
| <input checked="" type="checkbox"/> County Counsel                | <input type="checkbox"/> N/A            |
| <input type="checkbox"/> Human Resources                          | <input checked="" type="checkbox"/> N/A |

Respectfully submitted,



Jennifer Menicucci  
Administrative Assistant II  
Marin County Fire



Molly Kron  
Senior Planner  
Community Development Agency

**Attachment(s):**

1. County of Marin Measure W TOT Compliance Audit Report for Fiscal Year 2021-2022
2. Measure W TOT Oversight Committee Recommendation Letter
3. Community Development Agency Response Letter



## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

March 7, 2023

### OVERSIGHT COMMITTEE

Pamela Lichtenwalner  
CHAIR

Scoby Zook  
VICE CHAIR

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3501 Civic Center Drive  
Suite 308  
San Rafael, CA 94903

Dear Board of Supervisors,

**SUBJECT:** The Measure W West Marin Transient Occupancy Tax (TOT) Oversight Committee's review of the County of Marin's Measure W West Marin Transient Occupancy Tax Compliance Audit Report for the period of July 1, 2021 to June 30, 2022.

**RECOMMENDATION:** The Measure W West Marin Transient Occupancy Tax Oversight Committee recommends to the Board of Supervisors to accept the Measure W West Marin Transient Occupancy Tax Compliance Report for the period of July 1, 2021 to June 30, 2022.

**BACKGROUND:** The Measure W West Marin Transient Occupancy Tax Oversight Committee (Committee) exists by virtue of Marin County Ordinance No. 3692 which was approved by your Board on July 31, 2018. Measure W was approved by Marin County voters on November 6, 2018.

Per Ordinance No. 3692, Measure W created a transient occupancy tax rate of four (4.00) percent ("the West Marin Transient Occupancy Tax") of rent charged in the West Marin Transient Occupancy Tax Area, in addition to the tax rate of ten (10) percent applicable to the entire unincorporated County of Marin. The West Marin Transient Occupancy Tax is a special tax that shall be used for the benefit of the West Marin Transient Occupancy Tax Area. The Special Tax became effective January 1, 2019. Half of the West Marin Transient Occupancy Tax collected must be allocated to fire and emergency services in the West Marin Transient Occupancy Tax Area and half must be allocated for community housing in the West Marin Transient Occupancy Tax Area.

**SUMMARY:** On February 9, 2023, the Audit report for fiscal year 2021-22 was presented to the Oversight Committee by Michelle Camacho, the Audit Manager and Mina Martinovich, the Director of Finance for Marin County. The revenues and expenditures for the fiscal year 2021-22 were spent and distributed according to the Measure W West Marin Transient Occupancy Tax per the fifty/fifty split for fire and emergency services and community housing for the West Marin area. The Administration fee of 5% was calculated correctly and only two observations were noted in the report regarding fire, which fire management has agreed with the recommendations from the auditors and will be implementing actions to improve their internal processes. Otherwise, the auditors reported there were no findings, difficulties, or any non-compliant issues during the audit.

While the Auditors are not required to make comments regarding unspent funds, we would like to. Ordinance No. 3692 tasks our Oversight Committee with ensuring “that the revenue is spent within the boundaries of the West Marin Tax Area and for the purposes approved by the voters.” Simply put, we are concerned with the unspent amount of Measure W funds earmarked for Community Housing and administered by the Community Development Agency (CDA). We have no such concerns regarding the Fire and Emergency portion of Measure W proceeds.

Furthermore, we have no concerns regarding the 70% of Community Housing funds that are earmarked, per Board approval, for Housing Production. These projects are large and irregular in timing and we would expect that amounts might accumulate before being distributed.

Our concerns focus on the remaining 30% of the Community Housing funds, those for Rental Assistance and Security Deposit Assistance, Housing Needs Study, and Set-Aside for Future Larger Projects, to use the Board-approved guideline titles found in the current Audit.

For fiscal year ending June 30, 2022, the unspent amounts in those three categories totaled \$266,812. Going back to the beginning of Measure W (January 1, 2019) and using carryover assumptions, the unspent amount of those same three categories totals \$544,095.

To put this in perspective, Measure W has raised \$2,180,319 in Community Housing funds over its lifetime; \$544,095 (25%) remains unspent. We think this amount is high in light of the Community needs.

We are reasonably confident that the Measure W Transient Occupancy Tax funds were collected and distributed, for the Fire and Emergency portion according to Measure W and Ordinance No. 3692.

Regarding, the Community Housing portion of the tax, we are reasonably confident that the Measure W Transient Occupancy Tax funds were collected according to Measure W and Ordinance No. 3692. However, we are concerned about the amount of these funds that remains unspent as expressed above.

We recommend that the Board of Supervisors accepts the compliance audit report for the fiscal year of 2021-2022 along with the comments in this letter.

Sincerely,

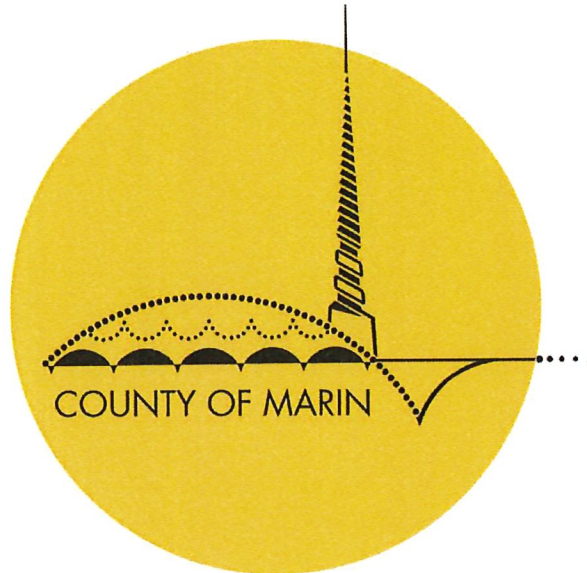


Pamela Lichtenwalner

Chair

Measure W West Marin Transient Occupancy Oversight Committee

**COUNTY OF MARIN**  
DEPARTMENT OF FINANCE  
INTERNAL AUDIT DIVISION



Measure W Community Oversight Committee  
Measure W - West Marin Transient Occupancy Tax  
Compliance Audit  
For the Fiscal Year Ended June 30, 2022

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**DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION**  
**MEASURE W-WEST MARIN TRANSIENT OCCUPANCY COMPLIANCE AUDIT**  
**FOR THE AUDIT PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022**

Community Development Agency  
Marin County Fire Department  
Department of Finance - Central Collections  
Measure W West Marin TOT Oversight Committee  
Michelle Clein  
Pamela Lichtenwalner  
Scoby Zook  
Allan Bortel  
Kirk Marckwald

**I. EXECUTIVE SUMMARY**

**Background**

On November 6, 2018, the voters of West Marin passed Measure W to establish the West Marin Transient Occupancy Tax area. In recognition of the impacts of visitors to the area, the approval of this measure increased the transient occupancy tax (TOT) to provide targeted funding for enhanced fire and emergency services and community housing. Effective January 1, 2019, Measure W increased the TOT tax rate in West Marin from 10.0% to 14.0% for hotels and short-term rentals, and it applied a 4.0% tax to commercial campground visitors.

Corresponding County Ordinance No. 3692 requires all funds to be used exclusively for the benefit of West Marin (West Marin Tax Area). Distribution of such revenues are to have local oversight by the Measure W West Marin Transient Occupancy Tax Oversight Committee (Oversight Committee), whereby the TOT revenue specifically generated by Measure W (Measure W TOT) is to be allocated through a 50%/50% split between fire and emergency services and long-term community housing.

**Governance Structure**

The Oversight Committee is comprised of resident who live in the West Marin Tax Area. Through Ordinance No. 3692, the Oversight Committee will be provided with an annual audit of the revenues and expenditures of Measure W TOT. The annual audits are aimed to provide the Oversight Committee with transparent fiscal data to ensure that Measure W TOT revenues are spent within the boundaries of the West Marin Tax Area and for the purposes approved by the voters.

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## **Administration**

The Marin County Tax Collector is responsible for the collection and apportionment of TOT funds. This includes both the 10.0% Uniform Transient Occupancy Tax and the 4.0% West Marin Measure W Transient Occupancy Tax.

Per Measure W, all Measure W TOT funds are to be spent exclusively for the West Marin Tax Area, whereby 50% of funds are to be allocated towards enhanced fire and emergency services, and the remaining 50% to be allocated towards community housing. All Measure W funding allocation and spending plans are subject to the approval of the Marin County Board of Supervisors.

Marin County Fire Department oversees and administers the Measure W fire and emergency services program, whereby specific allocation amounts are provided to fire districts and volunteer fire departments located in West Marin. Similarly, Marin County Community Development Agency (CDA) oversees and administers the Measure W community housing program.

## **Prioritization and Distribution of Funds**

Measure W allows for ad-hoc working groups to help inform the funding recommendations to the Marin County Board of Supervisors.

### **1. Fire and Emergency Services**

In December 2018, the Marin County Fire Chief, Jason Weber, established an ad-hoc working group (Fire Working Group) to inform the recommendation of the distribution of Measure W Fire/Emergency proceeds. On July 16, 2019, the Board of Supervisors approved an Allocation Plan for Measure W West Marin TOT Fire and Emergency Agencies, with the following distribution assignments:

- 1) 17% - Bolinas Fire Protection District (Bolinas)
- 2) 17% - Stinson Beach Fire Protection District (Stinson)
- 3) 14% - Fire Department in the Inverness Public Utility District (Inverness)
- 4) 4% - Nicasio Volunteer Fire Department (Nicasio)
- 5) 8% - Muir Beach Volunteer Fire Department (Muir Beach)
- 6) 2% - Tomales Volunteer Fire Department (Tomales)
- 7) 38% - Marin County Fire Department (County Fire), which includes stations in Tomales, Point Reyes, Hicks Valley, Woodacre, and Throckmorton

### **2. Community Housing:**

In July 2019, former CDA Director, Brian Crawford, appointed nine (9) community members that live or work in West Marin to participate on the Measure W Working Group on Fund Expenditures for Community Housing (CDA Working Group). The purpose of the CDA Working Group is to prioritize and recommend housing needs in West Marin, such as rental support, new construction, and housing for persons with disabilities, which will be considered by the Board of Supervisors and CDA staff when awarding funds to specific projects using Measure W Community Housing proceeds. Through community engagement and discussion, the CDA Working Group recommends funding priorities for a calendar year.

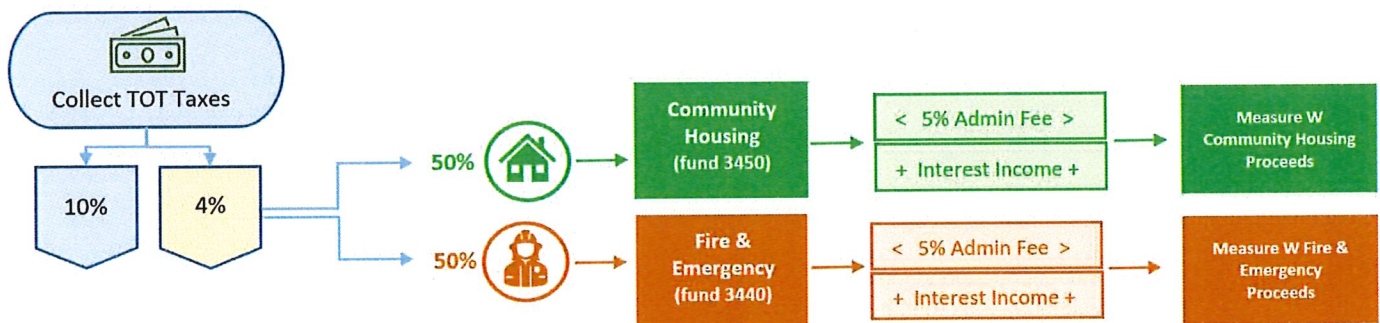
The following funding priorities for calendar year 2021, which was approved by the County of Marin Board of Supervisors on May 4, 2021, were as follows:

- 1) Housing production (70%) - Funding to support the development of housing for West Marin public safety employees, teachers, and other members of the West Marin workforce, housing for families, housing for persons with disabilities, and housing for seniors. Funding is made available across the full spectrum of housing development and allowable for permanent rental, homeownership, and transitional/temporary rental.
- 2) Rental assistance and security deposit assistance (15%) - Funding to help stabilize West Marin families and individuals at risk of losing current housing and in need of support to acquire new housing.
- 3) Housing needs study (10%) - A study of the West Marin Tax Area establishing a baseline understanding of housing market conditions and needs.
- 4) Set-aside for future larger projects (5%) - Funding to be accrued for larger housing projects in the future.

**Expenditure of Funds**

The direct costs of the Measure W Election will be reimbursed from the initial tax collection revenue from the Measure W TOT on a one-time basis. Administrative expenses of the County of Marin shall not exceed 5% of the tax revenue in any year, with any costs of the annual audit for the Oversight Committee paid first, and the remainder split equally between fire/emergency services and community housing.

Measure W TOT proceeds are intended to *augment* support for West Marin fire and emergency protection, as well as West Marin community housing. Therefore, disbursements of Measure W TOT proceeds shall be subject to terms and conditions established by the County including, but not limited to, requiring recipients to certify that these funds are being used to enhance services beyond available resources.



**II. SUMMARY OF WORK**

**Audit Scope and Objective**

For the audit period July 1, 2021 through June 30, 2022, determine that Measure W TOT proceeds were collected, distributed, and spent in compliance with Marin County Code Section 3.05.35 and Marin County Ordinance No. 3692.

## Audit Approach

The Measure W compliance audit was conducted based on an audit plan that included an assessment of the Measure W internal controls, assets, liabilities, fund balance, revenues and expenditures. We performed testing through inquiry, inspection and examination of the scope period noted above, and performed our examination in accordance with Generally Accepted Government Auditing Standards (GAGAS, or "Yellow Book") and the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing. Detailed work papers are available for review upon written request to the Department of Finance Internal Audit Division.

## Procedures

The compliance procedures performed, and their corresponding results are listed below:

PROCEDURE	COMPLIANCE AREA	PROCEDURE DESCRIPTION	RESULTS
1	Tax Collector	Reviewed and assessed the adequacy of policies, procedures and documentation of the TOT collection process for the 10.0% Uniform Transient Occupancy Tax (TOT) and the additional 4.0% Measure W TOT tax to ensure compliance with the requirements of the corresponding Code and Ordinance.	No exceptions noted
2	Tax Collector	Assessed whether the Measure W TOT tax collection administration system of internal controls were operating effectively to minimize compliance risks	No exceptions noted
3	Tax Collector	Assessed the compliance and applicable audit assertions associated with the tax collection and apportionment of West Marin TOT revenues during the audit period.	No exceptions noted
4	Tax Collector	Examined Measure W TOT cash receipts for the audit period and validated that they were properly allocated through a 50%/50% split between fire emergency services (Special Revenue Fund 3440) and community housing (Special Revenue Fund 3450) for each allocation interval, that such allocations were recorded in the County financial system accurately.	No exceptions noted
5	Fire & Emergency	Assessed the compliance and applicable audit assertions associated with the administration of Measure W Fire & Emergency proceeds.	See Section III <b>Observation #1</b>
6	Fire & Emergency	Validated that the annual Administrative Fee Reserve of not-to-exceed 5.0% was accurately calculated, retained and not subject to distribution.	No exceptions noted
7	Fire & Emergency	Verified that an ad-hoc working group was established for the purpose of providing recommendations on the priorities and funding expenditures for West Marin fire and emergency services, that such ad-hoc working group provided formal recommendations to the Marin County Board of Supervisors, and that those recommendations were approved by the Board.	No exceptions noted
8	Fire & Emergency	Examined cash disbursements made from the Measure W TOT fire and emergency services special revenue fund during the audit period, and validated that such allocations were made in compliance with the provisions of Measure W (County Ordinance No. 3692), as follows:	

		8(a)	Verified that Marin County Fire Department did not obtain more funds in a year than the combined allocation to other West Marin fire districts and volunteer fire departments.	No exceptions noted
		8(b)	Validated that all cash disbursements were allocated in accordance with the Board-approved Allocation Plan.	No exceptions noted
		8(c)	Examined evidential matter provided by County management and external agencies to verify that Measure W Fire & Emergency program expenditures for fire and emergency services were spent in accordance with the requirements of Measure W.	No exceptions noted
		8(d)	Confirmed Measure W funds in the possession off each Member Agency (cash on-hand) as of July 1, 2021 and June 30, 2022 via cash confirmations, signed and certified by Member Agencies. Verified that cash balances attested to as of July 1, 2021 agreed to prior year audit report. Verified that current year changes to cash balance agreed to current year expenditures incurred, as verified through audit test work performed in Procedure 8(c) above.	See Section III <b>Observation #2</b>
		8(e)	Examined evidential matter provided by sub-recipients to ensure that certification was provided attesting that TOT proceeds were used to enhance services beyond available sub-recipient resources.	No exceptions noted
9	Community Housing		Assessed the compliance and applicable audit assertions associated with the administration of Measure W Community Housing proceeds.	No exceptions noted
10	Community Housing		Validated that the annual Administrative Fee Reserve of not-to-exceed 5.0% was accurately calculated, retained and not subject to distribution.	No exceptions noted
11	Community Housing		Verified that claims made and processed for Administrative Fees are properly supported and do not exceed the Administrative Fee Reserve balance.	No exceptions noted
12	Community Housing		Examined cash disbursements made from the Measure W TOT community housing special revenue fund during the audit period, and validated that such allocations were made in compliance with the provisions of Measure W (County Ordinance No. 3692), as follows:	
		12(a)	Validated that all cash disbursements were allocated in accordance with Board approval or the Funding Priorities Plan for Calendar Year 2021, as recommended by the CDA Working Group and approved by the County Board of Supervisors on May 4, 2021.	No exceptions noted
		12(b)	Examined evidential matter provided by County management to verify that Measure W Community Housing program expenditures for community housing were spent in accordance the requirements of Measure W.	No exceptions noted

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### III. FINDINGS AND RECOMMENDATIONS

Based on the audit procedures performed, we noted the following observations and discussed our specific recommendations and opportunities for improvement with Management:

1. **Observation #1: Risk of Commingled Funds**

It is important to note that Marin County Fire Department serves two distinct roles with respect to the Measure W Fire & Emergency program area, each role with its own set of specific and unique responsibilities: 1) As the Administrator of the Measure W Fire Allocation Plan; and 2) As a Member Agency of the Fire Working Group. Through our review of the processes and procedures performed by Marin County Fire in their administration of Measure W TOT funds (Compliance Procedure #5), we noted opportunities for improvement. Special Revenue Fund 3440 serves as the main repository of Measure W TOT collections mandated for Fire & Emergency. Measure W TOT proceeds contained within this fund are then allocated to the Member Agencies of the Fire Allocation Plan.

As previously noted in prior year's audit report, we observed that Special Revenue Fund 3440 also contained cash balances and expense transactions that were exclusive to Marin County Fire Department as a Member Agency. Meaning, Marin County Fire's portion (38%) of Member Agency allocations, and corresponding expenditures Marin County Fire incurred to enhance fire and emergency protection services, were maintained in Special Revenue Fund 3440.

For the current year's audit period, we did observe that Marin County Fire implemented prior year's audit recommendation by establishing a separate and distinct fund (Member Agency Fund 3510) and appropriately recorded their current year member agency distribution to this fund. However, per our review of the Countywide general ledger, we noted that there remained residual fund balance in the Measure W TOT Fund 3440 belonging to Member Agency Marin County Fire that should have been transferred to Member Agency Fund 3510.

Through June 30, 2022, Member Agency Marin County Fire had spent a total of \$83,018.48 of program expenditures from Measure W TOT Fund 3440. Similarly, of the total cash balance held in Measure W TOT Fund 3440 on June 30, 2022, \$515,102.61 represents allocation amounts owed to Member Agency Marin County Fire but not yet distributed, resulting in a net fund balance of \$432,084.13 in Measure W TOT Fund 3440 that should be transferred to Member Agency Fund 3510.

**Recommendation:**

We recommend that Management make the necessary accounting entries to transfer the remaining fund balance currently residing in Measure W Fund 3440 to Marin County Fire Member Agency Fund 3510.

**Management Response:**

County of Marin Fire Department Management agreed with our recommendations.

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## 2. Observation #2:

Through our confirmation and recalculation of cash balances attested to by the Member Agencies of the Measure W Fire & Emergency program area, in conjunction with our examination of the cash ledgers, we noted a discrepancy between cash balances confirmed and attested to by Tomales Volunteer Fire Department, as compared to the allocation disbursements issued to them. We determined that this discrepancy originated from an outstanding uncashed check issued in September 2019 in the amount of \$3,336. While typically an uncashed check is considered a timing difference and therefore a permissible and expected reconciling item, we consider this to be an audit observation worth noting due to the nature of the potential internal control risk, as this uncashed check has remained unresolved since FY 2021 by Tomales Volunteer Fire Department.

As observed in prior audits, we provided a series of recommendations to Management, including the recommendation that an at-least quarterly cash review and reconciliation be implemented. If a quarterly cash reconciliation process had been implemented, it would have increased the likelihood that this outstanding check be identified by Management, and in turn aide them in their administrative oversight of Tomales Volunteer Fire Department.

### Recommendation:

Consistent with prior year recommendations, we continue to recommend that Management implement a practice of performing an at-least quarterly cash reconciliation, and that such reconciliation be reviewed and approved by someone other than the preparer.

### Management Response:

County of Marin Fire Department Management agreed with our recommendations.

## **Conclusion**

We have completed our audit over the specific Measure W compliance requirements described in the County's Measure W ordinance as of and for the fiscal year ended June 30, 2022, noting no findings or instances of noncompliance. We have identified process improvement observations and made specific recommendations, for which Management has agreed to incorporate and implement going forward.

In our opinion, the County complied, in all material respects, with the provisions of Marin County Code Section 3.05.35 and Marin County Ordinance No. 3692 for the audit period July 1, 2021 through June 30, 2022. Comparative Financial Statements as of and for the fiscal year ended June 30, 2021 and 2022 are located in **APPENDIX A** of this report. A detailed accounting of Measure W TOT by Program Area for Fiscal Year 2022 is in **APPENDIX B** of this report, and corresponding Expenditure Detail is provided in **APPENDIX D** of this report.

We appreciate the assistance and cooperation of the Marin County Fire Department, Marin County Community Development Agency, and the Department of Finance Central Collections Division during the performance of this audit. Please contact us if you have any questions or comments regarding any of the information contained in this audit report.

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#### IV. DISTRIBUTION

Community Development Agency Management  
Marin County Fire Department Management  
Department of Finance Management  
Measure W Community Oversight Committee

Audit Team:

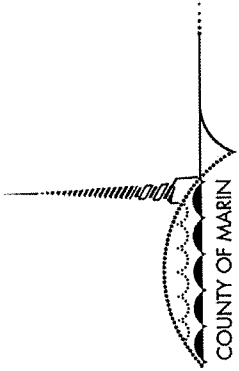
Michelle Camacho, Audit Manager

Issued this 26th day of January 2023



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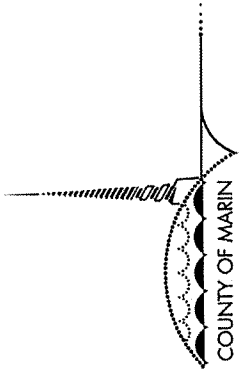
**Mina Martinovich, CPA**  
Director of Finance



**Measure W West Marin Transient Occupancy Tax  
Comparative Balance Sheets  
As of June 30, 2021 and 2022**

	June 30, 2021			June 30, 2022		
	Fire & Emergency	Community Housing	Total	Fire & Emergency	Community Housing	Total
<b>ASSETS</b>						
Cash and Investments in County Pool	\$ 668,018	\$ 965,970	\$ 1,633,988	\$ 743,568	\$ 1,617,131	\$ 2,360,699
Due from Other Funds	50,050	-	50,050	83,079	-	83,079
Total Assets	<u>718,068</u>	<u>965,970</u>	<u>1,684,038</u>	<u>826,647</u>	<u>1,617,131</u>	<u>2,443,778</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 3,343	\$ -	\$ 3,343	\$ 3,336	\$ -	\$ 3,336
Due to Other Funds	489,723	-	489,723	515,103	-	515,103
Due to Other Governments	212,020	-	212,020	253,428	-	253,428
Total Liabilities	<u>705,086</u>	<u>-</u>	<u>705,086</u>	<u>771,867</u>	<u>-</u>	<u>771,867</u>
<b>FUND BALANCES</b>						
Restricted	-	951,073	951,073	-	1,591,224	1,591,224
Assigned	12,982	14,897	27,879	54,780	25,907	80,687
Total Fund Balances	<u>12,982</u>	<u>965,970</u>	<u>978,952</u>	<u>54,780</u>	<u>1,617,131</u>	<u>1,671,911</u>
Total Liabilities and Fund Balances	<u>\$ 718,068</u>	<u>\$ 965,970</u>	<u>\$ 1,684,038</u>	<u>\$ 826,647</u>	<u>\$ 1,617,131</u>	<u>\$ 2,443,778</u>





**Measure W West Marin Transient Occupancy Tax  
Account Balances by Program Area  
For the Fiscal Year Ended June 30, 2022**

	Fire & Emergency	Community Housing	Total
Measure W TOT Collections	\$ 935,294.50	\$ 935,294.59	\$ 1,870,589.09
Pooled Interest Income	668.92	885.76	1,554.68
Total Measure W TOT Revenue	<u>935,963.42</u>	<u>936,180.35</u>	<u>1,872,143.77</u>
Less: 5% Administrative Fee Reserve	<u>(46,798.17)</u>	<u>(46,809.02)</u>	<u>(93,607.19)</u>
Total Measure W TOT Proceeds	889,165.25	889,371.33	1,778,536.58
Measure W TOT Proceeds Allocated for:			
Fire and emergency services	(822,378.03)	-	(822,378.03)
Housing production	-	(221,720.00)	(221,720.00)
Other <sup>1</sup>	-	(27,500.00)	(27,500.00)
Total Measure W TOT Proceeds Allocated	<u>(822,378.03)</u>	<u>(249,220.00)</u>	<u>(1,071,598.03)</u>
Measure W TOT Proceeds Balance Unallocated	66,787.22	640,151.33	706,938.55

<sup>1</sup> The project does not align with the priorities recommended by the Working Group and adopted by the Board. However, the Measure W community housing guidelines authorize the Board to approved projects that address community housing goals, but do not fall within the approved priorities. The Marin County Board of Supervisors approved the funding to support the first two phases of a three-phase process for the West Marin Housing Collaborative on October 26, 2021.

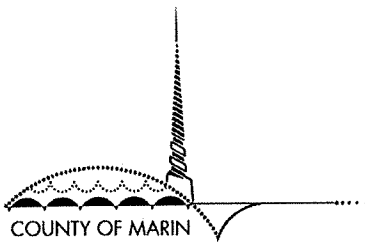


**Measure W West Marin Transient Occupancy Tax  
Fire & Emergency Allocations Earned and Spent by Member Agency  
As of and For the Fiscal Year Ended June 30, 2022**

MEMBER AGENCY	Allocations Due		Allocations Earned	Allocations Distributed	Allocations Due To / (From) June 30, 2022
	To / (From) July 1, 2021	July 1, 2021			
Bolinas	58,134.64	151,158.09	(139,804.32)	69,488.41	
Inverness	47,875.48	124,483.13	(115,132.87)	57,225.74	
Muir Beach	27,357.13	71,133.22	(65,789.92)	32,700.43	
Nicasio	13,678.57	35,566.61	(32,894.97)	16,350.21	
Stinson	58,134.64	151,158.09	(139,804.32)	69,488.41	
Tomales	6,839.78	17,783.30	(16,447.98)	8,175.10	
Marin County Fire	489,723.47	337,882.79	(312,503.65)	515,102.61	
<b>Total</b>	<b>701,743.71</b>	<b>889,165.23</b>	<b>(822,378.03)</b>	<b>768,530.91</b>	

MEMBER AGENCY	Unspent Allocations		Allocations Spent	Unspent Allocations June 30, 2022
	July 1, 2021	July 1, 2021		
Bolinas	64,973.25	139,804.32	(66,420.34)	138,357.23
Inverness	(27,193.05)	115,132.87	(9,645.00)	78,294.82
Muir Beach	73,051.29	65,789.92	(27,500.00)	111,341.21
Nicasio	(6,673.00)	32,894.97	(32,894.97)	(6,673.00)
Stinson	8,538.10	139,804.32	(140,100.05)	8,242.37
Tomales	18,935.14	16,447.98	(2,135.00)	33,248.12
Marin County Fire	(50,049.96)	312,503.65	(65,092.75)	197,360.94
<b>Total</b>	<b>81,581.77</b>	<b>822,378.03</b>	<b>(343,788.11)</b>	<b>560,171.69</b>



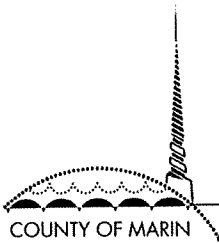
APPENDIX D

**Measure W West Marin Transient Occupancy Tax  
Expenditure Detail  
For the Fiscal Year Ended June 30, 2022**

<u>FIRE &amp; EMERGENCY</u>	<u>Proceeds Spent</u>	<u>T/M</u>	<u>COMMUNITY HOUSING</u>	<u>Proceeds Spent</u>	<u>T/M</u>
Bolinas	(66,420.34)	A	Housing Production	(221,720.00)	H
Inverness	(9,645.00)	B	Other <sup>1</sup>	(27,500.00)	I
Muir Beach	(27,500.00)	C	<b>Total</b>	<b>(249,220.00)</b>	
Nicasio	(32,894.97)	D			
Stinson	(140,100.05)	E			
Tomales	(2,135.00)	F			
County Fire	(65,092.75)	G			
<b>Total</b>	<b>(343,788.11)</b>				

<u>T/M</u>	<u>Nature of Expenditures</u>	<u>Expense Amount</u>	<u>West Marin Area</u>	<u>Description</u>
A	Salaries and benefits	\$ (66,420.34)	Bolinas	50% of Assistant chief salary, increase in Night Officer Duty Shift pay and addition of Night Driver, and expansion of 4-month seasonal firefighter program to year-round part-time
B	Salaries and benefits	\$ (9,645.00)	Inverness	Personnel Expenses, Supplies & Inventory, and Administration costs
C	Salaries and benefits	\$ (27,500.00)	Muir Beach	Fire Chief Stipend
D	Supplies & Inventory	\$ (32,894.97)	Nicasio	Supplies & Inventory, and Administration costs
E	Salaries and benefits	\$ (140,100.05)	Stinson	Captain 1, Duty Officers and Night driver
F	Equipment Rental & Training	\$ (2,135.00)	Tomales	Equipment Rental, Training, Medical
G	Professional Services: Disaster Coordinator	\$ (6,000.00)	San Geronimo Valley	Contracted professional services for San Geronimo Valley Disaster Coordinator
G	Supplies & Minor Equipment	\$ (32,124.23)	(various)	Supplies & Inventory, and Repairs
G	Tuition & Training	\$ (26,968.52)	(various)	Tuition and Training for various individuals
H	Preservation of Affordable Housing	\$ (1,720.00)	San Geronimo Valley	Planning, capital needs assessment, appraisal, and financing costs for the development of the Two Bird property in San Geronimo
H	Preservation of Affordable Housing	\$ (20,000.00)	Stinson	Rehabilitation of studio apartment
H	Acquisition and Preservation of Affordable Housing	\$ (200,000.00)	Pt. Reyes	Acquisition and Rehabilitation of property
I	Housing Collaborative	\$ (27,500.00)	(various)	Hire consultant to develop a Collaborative Operating System of decision - making, vision, goals, strategic priorities and workplans

<sup>1</sup> Refer to Appendix B



## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

March 7, 2023

### OVERSIGHT COMMITTEE

Pamela Lichtenwalner  
CHAIR

Scoby Zook  
VICE CHAIR

Allan Bortel  
Kirk Marckwald  
Michelle Clein

### STAFF

Jennifer Menicucci  
Marin County Fire Department  
measurewoc@marincounty.org  
415 473 7097

Molly Kron  
Community Development Agency  
measurewoc@marincounty.org  
415 473 6279

Marin County Civic Center  
3501 Civic Center Drive  
Suite 308  
San Rafael, CA 94903

Dear Board of Supervisors,

**SUBJECT:** The Measure W West Marin Transient Occupancy Tax (TOT) Oversight Committee's review of the County of Marin's Measure W West Marin Transient Occupancy Tax Compliance Audit Report for the period of July 1, 2021 to June 30, 2022.

**RECOMMENDATION:** The Measure W West Marin Transient Occupancy Tax Oversight Committee recommends to the Board of Supervisors to accept the Measure W West Marin Transient Occupancy Tax Compliance Report for the period of July 1, 2021 to June 30, 2022.

**BACKGROUND:** The Measure W West Marin Transient Occupancy Tax Oversight Committee (Committee) exists by virtue of Marin County Ordinance No. 3692 which was approved by your Board on July 31, 2018. Measure W was approved by Marin County voters on November 6, 2018.

Per Ordinance No. 3692, Measure W created a transient occupancy tax rate of four (4.00) percent ("the West Marin Transient Occupancy Tax") of rent charged in the West Marin Transient Occupancy Tax Area, in addition to the tax rate of ten (10) percent applicable to the entire unincorporated County of Marin. The West Marin Transient Occupancy Tax is a special tax that shall be used for the benefit of the West Marin Transient Occupancy Tax Area. The Special Tax became effective January 1, 2019. Half of the West Marin Transient Occupancy Tax collected must be allocated to fire and emergency services in the West Marin Transient Occupancy Tax Area and half must be allocated for community housing in the West Marin Transient Occupancy Tax Area.

**SUMMARY:** On February 9, 2023, the Audit report for fiscal year 2021-22 was presented to the Oversight Committee by Michelle Camacho, the Audit Manager and Mina Martinovich, the Director of Finance for Marin County. The revenues and expenditures for the fiscal year 2021-22 were spent and distributed according to the Measure W West Marin Transient Occupancy Tax per the fifty/fifty split for fire and emergency services and community housing for the West Marin area. The Administration fee of 5% was calculated correctly and only two observations were noted in the report regarding fire, which fire management has agreed with the recommendations from the auditors and will be implementing actions to improve their internal processes. Otherwise, the auditors reported there were no findings, difficulties, or any non-compliant issues during the audit.

While the Auditors are not required to make comments regarding unspent funds, we would like to. Ordinance No. 3692 tasks our Oversight Committee with ensuring “that the revenue is pent within the boundaries of the West Marin Tax Area and for the purposes approved by the voters.” Simply put, we are concerned with the unspent amount of Measure W funds earmarked for Community Housing and administered by the Community Development Agency (CDA). We have no such concerns regarding the Fire and Emergency portion of Measure W proceeds.

Furthermore, we have no concerns regarding the 70% of Community Housing funds that are earmarked, per Board approval, for Housing Production. These projects are large and irregular in timing and we would expect that amounts might accumulate before being distributed.

Our concerns focus on the remaining 30% of the Community Housing funds, those for Rental Assistance and Security Deposit Assistance, Housing Needs Study, and Set-Aside for Future Larger Projects, to us the Board-approved guideline titles found in the current Audit.

For fiscal year ending June 30, 2022, the unspent amounts in those three categories totaled \$266,812. Going back to the beginning of Measure W (January 1, 2019) and using carryover assumptions, the unspent amount of those same three categories totals \$544,095.

To put this in perspective, Measure W has raised \$2,180,319 in Community Housing funds over its lifetime; \$544,095 (25%) remains unspent. We think this amount is high in light of the Community needs.

We are reasonably confident that the Measure W Transient Occupancy Tax funds were collected and distributed, for the Fire and Emergency portion according to Measure W and Ordinance No. 3692.

Regarding, the Community Housing portion of the tax, we are reasonably confident that the Measure W Transient Occupancy Tax funds were collected according to Measure W and Ordinance No. 3692. However, we are concerned about the amount of these funds that remains unspent as expressed above.

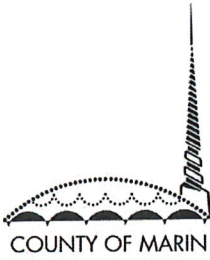
We recommend that the Board of Supervisors accepts the compliance audit report for the fiscal year of 2021-2022 along with the comments in this letter.

Sincerely,



Pamela Lichtenwalner  
Chair

Measure W West Marin Transient Occupancy Oversight Committee



COMMUNITY DEVELOPMENT AGENCY  
HOUSING AND FEDERAL GRANTS DIVISION

Sarah B. Jones  
DIRECTOR

April 18, 2023

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415 473 7880 F  
415 473 2255 TTY

Building and Safety  
Environmental Health Services  
Planning  
Environmental Review  
Housing  
Sustainability  
Code Enforcement  
GIS  
Federal Grants

[www.marincounty.org/cda](http://www.marincounty.org/cda)

Marin County Board of Supervisors  
3501 Civic Center Drive  
San Rafael, CA 94903

**SUBJECT:** Community Development Agency Response to Measure W TOT Oversight Committee's review of the County of Marin's Measure W TOT Compliance Audit Report for the period of July 1, 2021 to June 30, 2022.

The Measure W TOT Oversight Committee issued a letter to the Board of Supervisors, signed by Committee Chair Pamela Lichtenwalner and dated March 7, 2023. The Committee letter expresses concerns about the amount of unspent Community Housing funds dedicated for the following priorities: Rental Assistance and Security Deposit Assistance, Housing Needs Study, and Set-Aside for Future Larger Projects.

The Community Development Agency (CDA) administers the Community Housing funds, and works with a [Working Group](#), made up of community members who live or work in the Measure W tax area. The Working Group identifies community housing needs and recommends funding priorities to your Board.

To ensure that potential applicants are able to access Measure W Community Housing funds, the application is open on a rolling basis. Project sponsors can apply at any time. There is no requirement to be invited to apply for funding, nor is there a limit to the number of projects for which an organization may request funds. The application and guidelines are available on the [Measure W Community Housing webpage](#). Interested parties are also able to request application materials from CDA staff directly.

CDA is unable to issue Measure W Community Housing funds without receipt of an eligible application. During the 2021-22 audit period, no applications were received for a housing needs study, rental assistance, or security deposit assistance. In addition, the large project set-aside, as recommended by the Working Group, is designed to accrue resources over time, with the goal of maximizing the funds' impact when there are applications for larger developments.

During the audit period, staff made considerable efforts to engage with the public about the Measure W Community Housing funding program

and its structure. These efforts are continual. Each year, when the program priorities are updated and approved by the Board of Supervisors, staff issue a press release and conduct direct outreach through our list serv, and District 4 office. We look forward to continuing to broaden this outreach in order to serve the West Marin communities.

Respectfully submitted,



Leelee Thomas  
Deputy Director, Housing and Federal Grants