BOARD OF SUPERVISORS

AGENDA DATE: June 9, 2026

TO: Board of Supervisors

FROM: Robert Steinberg, Chair, and Kirk Marckwald, Vice Chair

REVIEWED BY: Miguel Liencres, Community Development Agency and Jennifer Menicucci, Marin County Fire Department

SUBJECT: Request to receive the Measure W West Marin Transient Occupancy (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, 2024, to June 30, 2025.

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 (Attachment 1) for the period of July 1, 2024, to June 30, 2025.

SUMMARY: The Oversight Committee reviewed the Fiscal Year 2024–25 Measure W Compliance Audit on March 24, 2026, and finds that Measure W funds were, overall, collected, allocated, and expended in accordance with Ordinance No. 3692 and voter-approved purposes.

The Committee notes, however, that the Compliance Audit contained one **observation** (opportunity for improvement) related to the administration of community housing funds and two **findings** (confirmed control weakness) related to fire and emergency services administration. While these issues do not indicate misuse of funds, they highlight areas where improved financial controls, tracking, and reconciliation procedures are necessary to ensure ongoing compliance and transparency.

- The **observation** relates to the transfer of $2.1 million in Measure W funds to the County Housing Trust Fund and highlights the need for

enhanced tracking and reporting to ensure these funds remain restricted to West Marin uses.

- The two **findings** identified in the current audit for Marin County Fire, the administrative fee cap overages and delayed internal fund transfers, were also identified in the prior year. This recurrence suggests that previously implemented corrective actions have not yet fully resolved underlying control issues. The Committee encourages continued refinement of internal controls, including improved calculation methodologies and timely reconciliation processes for Marin County Fire Department as the administrator of the trust.

As Measure W funds continue to grow and support critical community needs, the Committee emphasizes the importance of clear financial reporting, timely fund distribution, and ongoing oversight to maintain public trust.

So that the Committee can effectively carry out its responsibilities, the Committee recommends continued coordination with the Department of Finance, Marin County Fire Department, and Community Development Agency to ensure that all audit findings and observations are fully addressed and that improvements are reflected in future audit reports.

To ensure that the expenditures support enhanced services beyond regularly available resources (services that would not have been possible without Transient Occupancy Tax (TOT) funding), this Oversight Committee **will require** annual reports from the Marin County Fire Department and Marin County Community Development Agency (CDA) which cover the same fiscal year as the audit.

This requirement is based on the Committee's authority under Ordinance 3692 (page 2), which states: "West Marin Transient Occupancy Tax proceeds are intended to augment support for West Marin fire and emergency protection, as well as West Marin community housing. Therefore, disbursement of West Marin Transient Occupancy Tax 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 their available resources."

The Oversight Committee appreciates the cooperation of County staff and the Department of Finance in conducting this audit and supporting transparency in the administration of Measure W funds.

DISCUSSION / BACKGROUND: On July 31, 2018, the Marin County Board of Supervisors adopted Ordinance No. 3692 to place Measure W on November 6, 2018, ballot. Following voter approval of Measure W at the November 6, 2018, election, the Measure W West Marin Transient Occupancy Tax Oversight Committee (Committee) was established.

Measure W established an additional 4% transient occupancy tax (TOT) within the West Marin Tax Area, effective January 1, 2019, bringing the total TOT rate in the area to 14%. Revenues generated by Measure W are restricted for use within West Marin and must be allocated equally (50%/50%) to fire and emergency services and community housing.

Measure W funds are administered by the Marin County Fire Department for fire and emergency services and by the Marin County Community Development Agency (CDA) for community housing programs. All funding allocations and expenditure plans are subject to approval by the Marin County Board of Supervisors.

POLICY FRAMEWORK: The Board of Supervisors receives the Measure W Oversight Committee report annually. The Board last received this report on April 15, 2025.

EQUITY IMPACT SUMMARY: Measure W was established to address the impacts of tourism on West Marin communities, including increased need for housing and demand on local emergency services. Revenues from the additional transient occupancy tax are reinvested locally to help mitigate these impacts.

Funding for community housing programs supports housing stability and access for low- and moderate-income households, including local workers, seniors, and vulnerable populations. Funding for fire and emergency services enhances public safety and emergency response capacity in a rural area with geographic and service delivery challenges.

This annual audit and Oversight Committee review promotes transparency, accountability, and equitable use of public funds by ensuring that Measure W revenues are expended in accordance with voter-approved purposes and benefit the West Marin community.

COMMUNICATIONS & COMMUNITY ENGAGEMENT: Public notification has been carried out in accordance with the Brown Act. Standard notice protocols were followed through the Clerk of the Board and the County Executive Office, including posting of the agenda, publication of the staff report, and public access to supporting materials. These measures ensure that the community and stakeholders have the opportunity to review the changes to the ordinance and provide input at the scheduled Board hearing

PERFORMANCE MEASURES: Not applicable. This item reflects the annual audit and Oversight Committee review of Measure W revenues and expenditures for compliance with Ordinance No. 3692.

CONTRACT RENEWALS / PERFORMANCE OUTCOMES: Not applicable.

CONTRACT RISKS: Not applicable.

CEQA ANALYSIS: This action does not constitute a “project” under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code §21065 and CEQA Guidelines §§ 15060(c) and 15378. Therefore, it is not subject to environmental review, documentation, or public notice requirements under CEQA.

FISCAL, FACILITY & STAFFING ANALYSIS: There is no direct fiscal impact associated with acceptance of this report. The audit confirms that Measure W revenues for Fiscal Year 2024–25 were collected, allocated, and expended in accordance with Ordinance No. 3692. Measure W funds continue to support fire and emergency services and community housing programs within the West Marin Tax Area. There are no facilities or staffing impacts associated with this item.

ALTERNATIVES: The Board of Supervisors could choose not to accept the audit report and request additional information or clarification from County staff or the Measure W Oversight Committee.

ESTIMATED TIME (in minutes): N/A

ATTACHMENTS: Attachment 1 – FY24-25 Measure W-Audit

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, 2025

Department of Finance
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Table of Contents

DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION
MEASURE W-WEST MARIN TRANSIENT OCCUPANCY COMPLIANCE AUDIT
FOR THE AUDIT PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025

Community Development Agency
Marin County Fire Department
Measure W West Marin TOT Oversight Committee:
- Michelle Clein
- Michael McCall
- Pamela Lichtenwalner
- Kirk Marckwald
- Robert Steinberg

I. EXECUTIVE SUMMARY

Background

On November 6, 2018, voters in West Marin approved Measure W, establishing the West Marin Transient Occupancy Tax (TOT) area to address the impacts of tourism on local communities. The measure increased the TOT rate from 10.0% to 14.0% for hotels and short-term rentals and imposed an additional 4.0% tax on commercial campground visitors. The additional revenue generated by Measure W is legally restricted to enhancing fire and emergency services and supporting community housing within the West Marin Tax Area.

County Ordinance No. 3692 governs the administration and oversight of these funds, requiring that all Measure W revenues generated by the Measure W TOT be used solely for the benefit of West Marin and be split evenly (50%/50%) between fire and emergency services and community housing.

Governance and Oversight Structure

The Measure W West Marin Transient Occupancy Tax Oversight Committee (MW Oversight Committee) was established to provide local oversight of Measure W funds. The Committee consists of residents of the West Marin Tax Area and is responsible for reviewing the annual audit of Measure W TOT revenues and expenditures to ensure compliance with voter-approved purposes.

While the MW Oversight Committee plays a key role in reviewing and monitoring the use of funds, it does not have decision-making authority over allocations or expenditures. All Measure W spending plans and allocations are subject to approval by the Marin County Board of Supervisors.

Additionally, to support the administration of the community housing portion of Measure W, the Measure W Working Group for Community Housing (Working Group) was established. Convened and staffed by the Marin County Community Development Agency (CDA), the Working Group provides community input and recommendations on funding priorities for housing programs but does not make recommendations on specific projects or proposals.

Administration

The Marin County Tax Collector is responsible for collecting and distributing transient occupancy tax revenues, including:

- The 10.0% Uniform Transient Occupancy Tax, which applies countywide.
- The 4.0% West Marin Measure W Transient Occupancy Tax, which applies specifically to the West Marin Tax Area.

Measure W funds are exclusively allocated to the West Marin Tax Area and distributed as follows:

1. **Fire and Emergency Services (50%)**
   The Marin County Fire Department oversees and administers Measure W funding for fire and emergency services. Allocation amounts are distributed to fire districts and volunteer fire departments within West Marin, including:

   - Bolinas Fire Protection District (Bolinas)
   - Stinson Beach Fire Protection District (Stinson)
   - Fire Department in the Inverness Public Utility District (Inverness)
   - Nicasio Volunteer Fire Department (Nicasio)
   - Muir Beach Volunteer Fire Department (Muir Beach)
   - Tomales Volunteer Fire Department (Tomales)
   - Marin County Fire Department (County Fire), including stations in Tomales, Point Reyes, Hicks Valley, Woodacre, and Throckmorton

   To guide funding decisions, the Marin County Fire Chief convenes an ad-hoc working group, which provides recommendations before allocations are presented to the Marin County Board of Supervisors for approval. The most recent Board-approved action plan for fire and emergency services was adopted on July 16, 2019, establishing the Measure W West Marin TOT Fire and Emergency Services Allocation Plan. Under this plan, the approved distribution of Measure W funds among West Marin fire and emergency service agencies are as follows:

   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)

   These allocations remain in effect unless modified by a future Board action.

2. **Community Housing (50%)**
   The Marin County Community Development Agency (CDA) administers Measure W funding for community housing initiatives. These funds support various affordable housing programs, including but not limited to:
   - Housing for public safety employees, teachers, and other workforce members
   - Housing for families, seniors, and persons with disabilities
   - Rental assistance programs
   - Development, acquisition, and preservation of permanently affordable housing

The Measure W Working Group, convened by CDA, provides community input on funding priorities, ensuring alignment with local housing needs. Categories are allocated either using a fixed dollar amount or a percentage of Measure W Community Housing funds. At the start of every fiscal year (July 1), the balances in these categories are reset. Any carryover balances are re-allocated based on new priorities identified by the Measure W Working Group and approved by the Board of Supervisors.

The identified priorities for the 2024-25 funding cycle, which was approved by the County of Marin Board of Supervisors on June 4, 2024, are as follows:

1) **Direct Housing Assistance** (up to $100,000) – Funding to help stabilize West Marin families and individuals at risk of losing current housing and in need of support to acquire new housing, including emergency rental assistance, security deposit assistance, and down payment assistance.

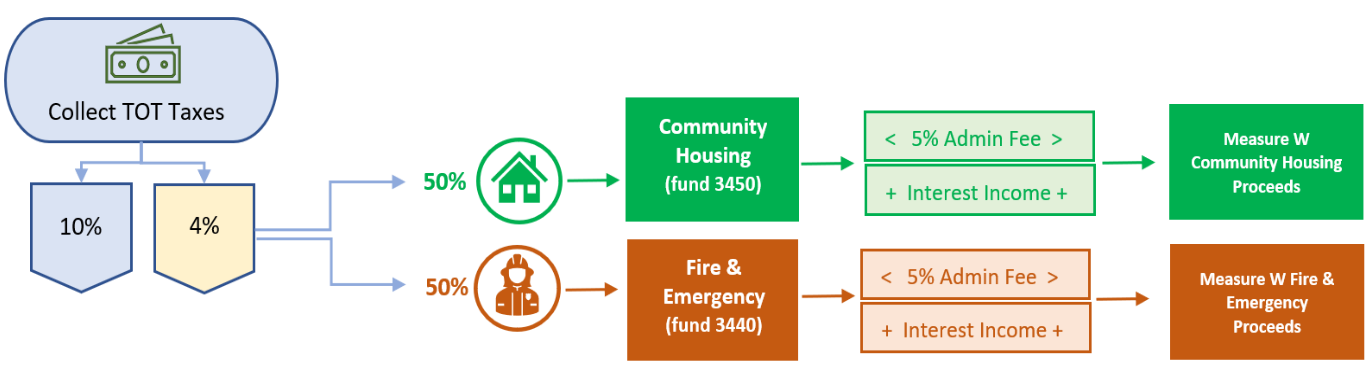
2) **Housing Production** (remaining funds) – Funding to support the development, acquisition, preservation, and expansion of affordable rental and homeownership housing for in West Marin. This includes housing for families, seniors, agricultural and essential workers, and people with disabilities; septic system upgrades needed for deed-restricted housing up to 80% AMI; conversion of underutilized buildings; ADUs/JADUs and shared housing; and transitional or temporary housing such as emergency housing for families, survivors of domestic violence, trauma recovery residences, and seasonal worker housing.

Expenditure of Funds

Per Ordinance No. 3692, administrative expenses of the County of Marin shall not exceed five percent (5%) of the annual Measure W tax revenue. Costs of the annual audit shall be paid first, with remaining administrative expenses split equally between fire and emergency services and community housing.

West Marin Transient Occupancy Tax proceeds are intended to add additional support for West Marin fire and emergency protection and West Marin community housing, rather than replace existing funding. Disbursements of Measure W funds are subject to County-established terms and conditions including, but not limited to, the requirement that all recipients certify that Measure W proceeds are being used to enhance services beyond their existing resources.

Illustration of Measure W Revenue Collection and Allocation Process



II. SUMMARY OF WORK

Audit Scope and Objective

For the audit period July 1, 2024, through June 30, 2025, the objective of this audit was to determine whether 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 following a structured audit plan that assessed internal controls, assets, liabilities, fund balances, revenues, and expenditures, as well as compliance with approved funding allocation plans. Audit testing included a combination of inquiry, inspection and examination of financial records, along with verification of fund allocations and expenditures to ensure accuracy and adherence to Measure W requirements.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS, or "Yellow Book") and the Institute of Internal Auditors (IIA, or "Red Book") Standards for the Professional Practice of Internal Auditing. Detailed workpapers supporting this audit are available for review upon written request to the Department of Finance Internal Audit Division.

Audit Procedures and Results

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

PROCEDURE NO.	COMPLIANCE AREA	PROCEDURE DESCRIPTION	RESULTS
1	Tax Collector	Reviewed and assessed the adequacy of TOT collection policies, procedures, and documentation for both the 10.0% Uniform TOT and 4.0% Measure W TOT.	No exceptions noted
2	Tax Collector	Assessed internal controls over TOT tax collection administration to ensure compliance risks were mitigated.	No exceptions noted
3	Tax Collector	Reviewed tax collection and apportionment of West Marin TOT revenues to validate compliance with Measure W requirements.	No exceptions noted
4	Tax Collector	Examined Measure W TOT cash receipts and verified that allocations were properly split (50%/50%) between fire and emergency services (Special Revenue Fund 3440) and community housing (Special Revenue Fund 3450).	No exceptions noted
5	Fire & Emergency	Reviewed the administration of Measure W Fire & Emergency proceeds to ensure compliance with funding allocations.	No exceptions noted
6	Fire & Emergency	Verified that the 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 administrative fee claims were properly supported and did not exceed the allocated Administrative Fee Reserve balance.	Finding 1
8	Fire & Emergency	Verified that an ad-hoc working group was established to provide funding recommendations for West Marin fire and emergency services and that recommendations were approved by the Marin County Board of Supervisors.	No exceptions noted
9	Fire & Emergency	Examined cash disbursements made from the Measure W TOT fire and emergency services special revenue fund, validating compliance with Measure W:	

		9(a)	Confirmed that Marin County Fire Department did not receive more funds in a year than the combined allocation to other West Marin fire districts and volunteer fire departments.	No exceptions noted
		9(b)	Verified that all disbursements were allocated in accordance with the Board-approved Allocation Plan (most recently approved in July 2019).	Finding 2
		9(c)	Reviewed supporting documentation to confirm that Measure W funds were spent only on eligible fire & emergency program expenditures.	No exceptions noted
		9(d)	Verified Measure W funds in the possession of each Member Agency (cash on hand) as of July 1, 2024, and June 30, 2025, through cash confirmations signed and certified by Member Agencies. Verified that cash balances attested to as of July 1, 2024, agreed to prior year report. Verified that current year changes to cash balance agreed to current year expenditures incurred, as verified through audit test work performed in Procedure 9(c) above.	No exceptions noted
		9(e)	Examined certifications from member agencies to ensure that Measure W funds were used to enhance services beyond available resources.	No exceptions noted
10	Community Housing	Reviewed the administration of Measure W Community Housing proceeds.		No exceptions noted
11	Community Housing	Verified that the annual Administrative Fee Reserve of not-to-exceed 5.0% was accurately calculated, retained and not subject to distribution.		No exceptions noted
12	Community Housing	Verified that administrative fee claims were properly supported and did not exceed the Administrative Fee Reserve balance.		No exceptions noted
13	Community Housing	Examined cash disbursements from the Measure W TOT community housing special revenue fund, validating compliance with Measure W:		
		13(a)	Verified that disbursements were allocated in accordance with Board-approved or funding priorities for FY 2024-25 (as recommended by the CDA Working Group and approved by the Marin County Board of Supervisors on June 4, 2024).	Observation 1
		13(b)	Reviewed supporting documentation to confirm that Measure W funds were spent only on eligible community housing program expenditures.	No exceptions noted

III. FINDINGS AND RECOMMENDATIONS

Results of Audit Procedures

During our audit, we identified one (1) observation related to the administration of Measure W Community Housing funds by the Community Development Agency, and two (2) compliance-related findings to the administration of Measure W Fire & Emergency funds by the Marin County Fire Department in its role as administrator.

To provide clarity on the nature of these issues, we distinguish between audit findings and audit observations as follows:

- **Audit Findings** represent compliance issues, control deficiencies, or financial misstatements that require corrective action to ensure adherence to policies, regulations, or financial integrity. These findings indicate instances where internal controls were not effectively designed or were not operating as intended, which could pose financial or operational risks.

- **Audit Observations** do not reflect noncompliance but instead highlight opportunities for process improvement, enhanced transparency, or increased efficiency. Observations often pertain to financial reporting matters that, if addressed, could improve the accuracy and completeness of financial records.

1. Observation #1: Housing Trust Fund Transfer

Observation:

During our audit, we noted that $2.1 million of Measure W funds were transferred to the County's Housing Trust Fund (a County special revenue fund) on June 30,2025. As a result, $2.1 million of Measure W funds are now commingled with the Housing Trust Fund.

Marin County Ordinance No. 3692 requires that West Marin Transient Occupancy Tax (TOT) proceeds administered by the Community Development Agency are to be used for community housing activities within the West Marin service area.

Although the Community Development Agency (CDA) was authorized by the Board on March 25, 2025 to transfer funds to the Housing Trust Fund, Measure W revenues and any related proceeds remain restricted to the purposes outlined in the ordinance. As the administering department, CDA is responsible for ensuring these funds and any proceeds earned are properly tracked and used solely for activities benefiting the West Marin service area.

Without accurate tracking mechanisms within the Housing Trust Fund to separately account for Measure W proceeds, there is a risk that Measure W funds could be used for activities outside the West Marin service area.

Recommendation:

We recommend that the Community development Agency (CDA) establish a documented tracking and reporting process to ensure Measure W funds, and any investment earnings thereon, are spent in accordance with the Measure W Ordinance No. 3692.

Management Response:

The Community Development Agency (CDA) agrees with this recommendation. We are committed to transparency, fiscal stewardship, and strict compliance with Measure W Ordinance No. 3692. CDA acknowledges the necessity of robust controls to track not only the principal Measure W funds but also any accrued investment earnings, ensuring all expenditures align with the voter-approved guidelines.

The $2.1 million of Measure W funds at issue was awarded to Tamalko Homes, a partnership with Eden Housing and the Community Land Trust Association of West Marin, to develop 54 units of permanently affordable housing in Point Reyes Station, within the Measure W project area. The funds were in addition to County Housing Trust funds and together were used to leverage the project to make it competitive for State funding. As outlined in the chart below, the $2.1 million, and all proceeds earned, are being tracked and will be awarded to the project, consistent with Measure W guidelines. It is anticipated that these funds will be fully paid out to Tamalko Homes in fiscal year 2026/2027.

2025-2026	Principal	Interest Rate	Accrued Interest	Total
Q1	2,100,000.00	1.08%	22,576.00	2,122,576
Q2	2,122,576,00	1.41%	29,886.87	2,152,462.87
Q3	2,152,426.87	1.24%*	26,691.54*	2,179,154.41*

* Estimates based on averages

Plan going forward:

To improve our tracking in the future, by June 30, 2026, CDA staff will:

1. Develop Formal Procedures: CDA will draft and adopt written Standard Operating Procedures (SOPs) for the tracking, allocation, and expenditure of Measure W funds.

2. Tracking System Enhancement: Working in coordination with the Office of the County Executive and Department of Finance, CDA will establish a dedicated, documented tracking mechanism that separately identifies principal revenue, investment earnings, and corresponding expenditures.

3. Reporting Process: CDA will implement an annual reporting process to the Measure W Oversight Committee and the Board of Supervisors, detailing fund balances, earned interest, and project-level spending, ensuring compliance with Ordinance No. 3692.

4. Documentation of Earnings: The new process will ensure that any investment earnings are clearly allocated to eligible projects as required by the ordinance.

2. Finding #1: Overspending of Administrative Fee Reserve

<u>Observation:</u>

For fiscal year 2024-25, the Marin County Fire Department incurred administrative expenses that exceeded the allowable administrative fee cap. After setting aside the required audit fee earmark, the department overspent the administrative fee reserve by approximately $4,888. The Measure W expenditure guidelines limit administrative costs to 5% of total revenues, and miscalculations in the fee cap can lead to unintentional noncompliance, reducing funding availability for fire and emergency services.

This condition was also identified in the prior year audit (FY 2023-24, Finding #3), in which the department overspent the administrative fee reserve by $16,259.56 due to a miscalculation in the administrative fee cap.

While the dollar amount of the overspending has decreased significantly from the prior year, reflecting partial progress in the department’s corrective efforts, the recurrence of this compliance issue indicates that the tracking controls implemented in response to prior year finding have not yet been fully effective in preventing administrative fee cap coverages. Continued monitoring and refinement of the calculation methodology are necessary to achieve full compliance.

Recommendation:

We recommend that the Marin County Fire Department correct its administrative fee calculation methodology and implement stronger financial controls to ensure ongoing compliance with the 5% not-to-exceed cap, inclusive of the earmark for the annual audit fee. Specifically:

- Establish a standardized calculation model that includes all relevant cost components, including the earmark for the annual audit fee, to prevent miscalculations.
- Implement a proactive review process to assess administrative fee projections before funds are expended.
- Monitor administrative fee expenditures throughout the fiscal year to ensure spending remains within allowable limits and adjustments can be made if needed.

Management Response:

The Department agrees with the finding and will reduce FY26 distributions to reimburse the overdrawn amount. The department will additionally analyze the cause to ensure it is tracked correctly going forward, as well as add an additional approval internally to review it is done correctly.

3. Finding #2: Unremitted Member Agency Distribution from FY 2024-2025

Observation:

Our audit identified that as of June 30, 2025, the Marin County Fire Department had not transferred $214,425.13 owed to itself in its capacity as a member agency. This outstanding balance represents an incomplete reconciliation of financial records and an understatement of actual financial obligations. The Internal Audit team identified this issue during the course of audit fieldwork.

This compliance issue was also identified in the prior year audit (FY 2023-24, Finding #1), in which the department had an outstanding allocation of $137,731 that had not been disbursed to itself as of June 30, 2023, and remained unresolved as of June 30, 2024.

The recurrence of this condition in the current year suggests that the reconciliation controls committed to in the prior year management response were not fully operationalized. Timely disbursement of allocated funds is critical to ensure accurate financial reporting, maintaining transparency, and preventing delays in fund utilization for essential fire and emergency services.

Recommendation:

We recommend that the Marin County Fire Department promptly disburse the outstanding $214,425.13 and establish formalized reconciliation procedures to mitigate the risk of similar delays in future periods. Specifically:

- Establish a formal reconciliation schedule to verify that all member agency allocations, including those payable to the department itself, are disbursed in a timely manner following the close of each fiscal year.

- Implement a secondary review step to confirm that all transfers are completed and properly reflected in the department's financial records before year-end reporting is finalized.

Management Response:

The Department agrees with the recommendation and will adopt a more rigorous review and internal audit procedure to reconcile on time, including internal approvals.

IV. CONCLUSION

The audit of Measure W funds administered by both the Marin County Fire Department (Fire & Emergency Services) and the Marin County Community Development Agency (CDA) (Community Housing) for the fiscal year ended June 30, 2025, was conducted to assess compliance with Measure W requirements, including the collection, allocation, and expenditure of transient occupancy tax (TOT) proceeds.

Overall, the audit found that Measure W funds were used exclusively for their intended purposes.

Community Housing Administration: The Marin County Community Development Agency effectively administered its portion of Measure W funds in compliance with the ordinance and approved funding priorities. However, the audit identified one observation related to the transfer of $2.1 million in Measure W funds to the County's Housing Trust Fund.

Fire & Emergency Services Administration: While the Marin County Fire Department appropriately directed Measure W funds to eligible fire agencies and programs, the audit identified two financial management issues requiring corrective action. These included an unremitted member agency transfer and an overspending of the administrative fee reserve.

Key Recommendations and Corrective Actions

The findings outlined in this report highlight opportunities for improvement in financial oversight, internal controls, and reporting practices for Measure W administration. Our key recommendations include:

- **Implementing a formal fund use policy and periodic reconciliation process for Housing Trust Fund disbursements** to provide documented evidence that expenditures algin with Measure W ordinance requirements and West Marin service area restrictions.

- **Correcting identified misallocations** and reinforcing financial controls to prevent future discrepancies

- **Implementing structured financial reporting and reconciliation procedures** to provide a more transparent and accurate reflection of obligations, fund balances, and disbursements at fiscal year-end.

- **Establishing clear administrative fee tracking procedures** to ensure compliance with the Measure W5% expenditure cap.

- **Enhancing reconciliation and fund allocation procedures** to ensure timely and accurate distribution of Measure W proceeds to fire agencies.

The Marin County Fire Department has acknowledged the findings and committed to implementing corrective measures to improve accountability and compliance. The department processed the outstanding member agency transfers prior to issuance of this report. The Marin County Community Development Agency has acknowledged the observation and committed to implementing corrective measures to improve tracking and reporting of Measure W Community Housing fund allocations.

Ongoing financial oversight will be important to maintain compliance with Measure W and support transparency in the administration of these funds.

We appreciate the cooperation and assistance provided by the Marin County Fire Department, the Marin County Community Development Agency, and the Department of Finance Central Collections unit during this audit. Comparative financial statements, fund balances, and expenditure are provided in the appendices.

V. DISTRIBUTION

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

Audit Team:
Michelle Camacho, Audit Manager
Kulwarn Bassi, Senior Auditor
Arezu Sirois, Auditor II

Issued this 19th day of March 2026

Mina Martinovich, CPA
Director of Finance

APPENDIX A

Measure W West Marin Transient Occupancy Tax
Comparative Balance Sheets
As of June 30, 2024 and 2025

	June 30, 2024			June 30, 2025		
	Fire & Emergency	Community Housing	Total	Fire & Emergency	Community Housing	Total
ASSETS						
Cash and Investments in County Pool	$ 359,869	$ 2,608,718	$ 2,968,586	$ 465,103	$ 951,751	$ 1,416,854
Due from Other Funds	150,151	-	150,151	5,117	2,100,000	2,105,117
Total Assets	510,020	2,608,718	3,118,738	470,220	3,051,751	3,521,971
LIABILITIES						
Accounts Payable	$ -	$ 76	$ 76	$ 562		$ 562
Due to Other Funds	275,731	-	275,731	233,284	-	233,284
Due to Other Governments	226,789	-	226,789	228,874	-	228,874
Total Liabilities	502,520	76	502,596	462,720	-	462,720
FUND BALANCES						
Restricted	-	2,514,173	2,514,173	-	2,964,502	2,964,502
Assigned	7,500	94,469	101,969	7,500	87,249	94,749
Total Fund Balances	7,500	2,608,641	2,616,142	7,500	3,051,751	3,059,251
Total Liabilities and Fund Balances	$ 510,020	$ 2,608,718	$ 3,118,738	$ 470,220	$ 3,051,751	$ 3,521,971

APPENDIX A

Measure W West Marin Transient Occupancy Tax
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2024 and 2025

	Fiscal Year 2024			Fiscal Year 2025		
	Fire & Emergency	Community Housing	Total	Fire & Emergency	Community Housing	Total
REVENUES						
Taxes	$ 890,187	$ 883,254	$ 1,773,441	$ 954,797	$ 954,797	$ 1,909,594
From Use of Money and Property	31,437	97,249	128,685	27,760	144,946	172,706
Total Revenues	921,624	980,502	1,902,126	982,557	1,099,743	2,082,300
Expenditures						
Current						
General Government[1]	139,277	19,029	158,306	49,128	62,208	111,336
Public Protection[2]	875,542	-	875,542	933,429	-	933,429
Public Assistance[3]	-	594,575	594,575	-	594,425	594,425
Total Expenditures	1,014,819	613,604	1,628,423	982,557	656,633	1,639,190
NET CHANGE IN FUND BALANCES	(93,196)	366,898	273,703	-	443,110	443,110
Fund Balances - Beginning of Year	100,696	2,241,743	2,342,439	7,500	2,608,641	2,616,141
FUND BALANCES - END OF YEAR	$ 7,500	$ 2,608,641	$ 2,616,142	$ 7,500	$ 3,051,751	$ 3,059,251

For purposes of this report: [1] General Government represents the Admin Fee [2] Public Protection represents Fire & Emergency Services [3] Public Assistance represents Community Housing

COUNTY OF MARIN

APPENDIX B

Measure W West Marin Transient Occupancy Tax
Account Balances by Program Area
For the Fiscal Year Ended June 30, 2025

	Fire & Emergency	Community Housing	TOTAL
Unallocated Measure W Proceeds at July 1, 2024	$ 502,520	$ 2,514,172	3,016,692
Measure W TOT Collections	954,797	$ 954,797	1,909,594
Pooled Interest Income	27,760	144,946	172,706
Total Measure W TOT Revenue	982,557	1,099,743	2,082,300
Less: 5% Administrative Fee Reserve	(49,128)	(54,988)	(104,116)
Total Measure W TOT Proceeds	933,429	1,044,755	1,978,184
Measure W TOT Proceeds Allocated for:			
Fire and emergency services	(973,791)	-	(973,791)
Community housing	-	(594,425)	(594,425)
Total Measure W TOT Proceeds Allocated	(973,791)	(594,425)	(1,568,216)
Unallocated Measure W Proceeds at June 30, 2025	462,158	2,964,502	409,968

APPENDIX C1

COUNTY OF MARIN

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, 2025

MEMBER AGENCY	Allocations Due To / (From) July 1, 2024	Allocations Earned	Allocations Distributed	Adjustments	Allocations Due To / (From) June 30, 2025
Bolinas	62,184	158,683	(158,111)	-	62,756
Inverness	51,210	130,680	(130,209)	-	51,681
Muir Beach	29,263	74,674	(74,405)	-	29,532
Nicasio	14,632	37,337	(37,203)	-	14,767
Stinson	62,184	158,683	(158,111)	-	62,756
Tomales	7,316	18,669	(18,601)	-	7,383
Marin County Fire	275,731	354,703	(258,487)	(138,663)	233,284
Total	**502,520**	**933,429**	**(835,128)**	**(138,663)**	**462,158**

MEMBER AGENCY	Unspent Allocations July 1, 2024	Allocations Received	Allocations Spent	Adjustments	Unspent Allocations June 30, 2025[1]
Bolinas	217,110	158,111	(134,218)	-	241,003
Inverness	164,377	130,209	(98,514)	-	196,072
Muir Beach	194,613	74,405	(30,000)	-	239,018
Nicasio	(9,916)	37,203	(37,204)	-	(9,918)
Stinson	-	158,111	(158,111)	-	-
Tomales	66,966	18,601	(153)	-	85,414
Marin County Fire	739,565	258,487	(257,836)	100,042	840,258
Total	**1,372,715**	**835,128**	**(716,037)**	**100,042**	**1,591,847**

[1] Unspent allocated amounts as of June 30, 2025 may differ from the amounts reported by member agencies in their confirmation letters due to the interest accrued, which is not included in this report.

Measure W West Marin Transient Occupancy Tax
Summary of Community Housing Funding Priorities
As of and For the Fiscal Year Ended June 30, 2025

	Restricted Fund Balance at July 1, 2024	Allocations Earned	Allocations Distributed	Restricted Fund Balance at June 30, 2025	
Set Aside Reserve[1]	290,913	(290,913)	-	-	[A]
Housing Needs Study[2]	4,425	-	(4,425)	-	
Direct Housing Assistance[3]	50,000	50,000	(50,000)	50,000	
Housing Production[4]	2,168,834	1,285,668	(540,000)	2,914,502	[B]
Total	**2,514,172**	**1,044,755**	**(594,425)**	**2,964,502**	

[A] The Set Aside Reserve was designated as a community housing funding priority in the prior fiscal year (FY2023-24). The funding priority was not carried forward for the current fiscal year (FY2024-25). Accordingly, the remaining balance of $290,913 for the Set Aside Reserve as of July 1,2024 has been fully transferred to the Housing Production funding priority during the current fiscal year.

[B] Of this restricted fund balance of $2.91 million, as of June 30, 2025, approximately $3.1 million was specifically earmarked for the following community housing grant projects, of which were recommended by the CDA Working Group as part of the FY 2024-25 Annual Funding Cycle, and as approved by the County Board of Supervisors on June 4, 2024:

Community Housing Grant Project Description Area Served	Total Grant Funding Approved	Allocations	Disbursed	Grant Project Balance as of June 30, 2025
Development - Bolinas	625,000	-	(300,000)	325,000
Preservation - Bolinas	49,000	-	-	49,000
Preservation - Valley	47,000	-	-	47,000
Preservation - Bolinas	38,720	140,000	(140,000)	38,720
Development - Stinson	100,000	-	(100,000)	-
Preservation - Point Reyes	2,100,000	-	-	2,100,000
Preservation - Point Reyes	150,000	-	-	150,000
	3,109,720 [B]	**140,000**	**(540,000)**	**2,709,720**

[1] 10% of Measure W proceeds will be set aside (accrued) for future larger housing projects (5+ units).

[2] Measure W proceeds will fund up to $100,000 for studies of the Measure W Tax Area.

[3] Measure W proceeds will fund up to $100,000 in direct housing assistance in the form of emergency rental assistance, security deposit assistance, and down payment assistance.

[4] Up to 90% of remaining Measure W proceeds will fund the pre-development, acquisition, development, and preservation of rental and homeownership housing.

COUNTY OF MARIN

APPENDIX D

Measure W West Marin Transient Occupancy Tax
Expenditure Detail
For the Fiscal Year Ended June 30, 2025

FIRE & EMERGENCY	Proceeds Spent	T/M
Bolinas	(134,218.16)	A
Inverness	(98,514.10)	B
Muir Beach	(30,000.00)	C
Nicasio	(37,204.49)	D
Stinson	(158,111.14)	E
Tomales	(153.48)	F
County Fire	(257,836.00)	G
Total	**(716,037.37)**	

	COMMUNITY HOUSING	Proceeds Spent	T/M
	Housing Production	(540,000.00)	H
	Direct Housing Assistance	(50,000.00)	I
[A]	Housing Needs Study	(4,425.00)	J
	Total	**(594,425.00)**	

T/M	Nature of Expenditures	Expense Amount	West Marin Area	Description	Recipient Entity / Agency
A	Salaries & Benefits	$ (134,218.16)	Bolinas	Personnel Expenses: 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.	Bolinas Fire Protection District
B	Salaries & Benefits	$ (98,514.10)	Inverness	Personnel Expenses & Equipment	Inverness Public Utility District
C	Salaries & Benefits	$ (30,000.00)	Muir Beach	Fire Chief Stipend	Muir Beach Volunteer Fire Department
D	Supplies & Inventory	$ (37,204.49)	Nicasio	Supplies & Inventory, Training, and Administrative costs	Nicasio Fire Protection District
E	Salaries & Benefits	$ (158,111.14)	Stinson	Personnel Expenses: Captain	Stinson Beach Fire Protection District
F	Equipment Rental & Training	$ (153.48)	Tomales	Monthly Marketing Program	Tomales Volunteer Fire Department
G	Professional Services: License	$ (257,836.00)	(various)	Equipment	CAEMSA
H	Housing Production	$ (300,000.00)	Bolinas	Affordable Housing Development	31 Wharf
H	Housing Production	$ (140,000.00)	Bolinas	Construction Cost	Calvary Presbyterian Church
H	Housing Production	$ (100,000.00)	Bolinas	Acquisition	BCLT 3755 Shoreline
I	Direct Housing Assistance	$ (50,000.00)	(various)	Rental Assistance	WMCS rental assistance
J	Housing Needs Study	$ (4,425.00)	Point Reyes	Support implementation of communication strategy for Housing Needs Study.	West Marin Fund

[A] During Fiscal Year 2024, a distribution of $4,425 related to the Housing Needs Study Funding Priority, was approved by the Board of Supervisors. This amount was recorded in the County's financial system after the June 30,2024, and as a result, was not reflected in the prior year financial statements. The distribution has been recognized in the current fiscal year ended June 30,2025.

Vote Certification
Board of Supervisors
Marin County

This hereby certifies the vote taken by the Board of Supervisors on Request to receive the Measure W West Marin Transient Occupancy (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, 2024, to June 30, 2025. at its meeting of Tuesday, June 9, 2026.

Vote:

AYES:	Stephanie Moulton-Peters, Dennis Rodoni, Mary Sackett, Eric Lucan, Brian Colbert
NOES:	
ABSENT:	
ABSTAIN:	

The motion was Approved.

ATTEST: Derek Johnson, County Executive

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