

MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

August 17, 2021

Dear Board of Supervisors,

CHAIR  
Scoby Zook  
Inverness

**SUBJECT:** The Measure W TOT Oversight Committee's review of the County of Marin's Measure W TOT Compliance Audit Report for the period of January 1, 2019 to June 30, 2020.

VICE CHAIR  
Pamela Lichtenwalner  
Stinson Beach

**RECOMMENDATION:** The Measure W TOT Oversight Committee recommends the Board of Supervisors accept the Measure W TOT Compliance Report for the period of January 1, 2019 to June 30, 2020.

Cathy Schwemm  
Tomas

**BACKGROUND:** The Measure W West Marin TOT 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.

Emmanuel Serriere  
Inverness

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.

Michelle Clein  
Lagunitas

STAFF  
Rhonda Kutter  
Aide to Supervisor Rodoni  
District 4

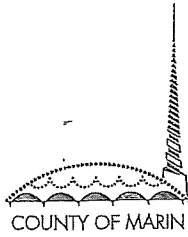
The purpose of the Committee is to review, on an annual fiscal year basis, the expenditure of Measure W transient occupancy tax revenue to ensure that the revenue is allocated within the boundaries of the West Marin Tax Area and for the purposes approved by the voters. An annual audit of the of the revenues and expenditures of the West Marin Transient Occupancy Tax is performed by the Department of Finance and provided to the Committee annually for review.

Marin County Civic Center  
3501 Civic Center Drive  
Suite 324  
San Rafael, CA 94903.  
415-473-3246

**DISCUSSION:**

[1] On May 19, 2021 Roy Given and his staff guided the Committee through the Compliance Audit Report, explaining in detail the process for collecting the 4% portion of the Measure W TOT tax, the process for allocating costs, and the amounts segregated for the two main funding areas: (1) fire and emergency services and community housing. Within each of these two areas we reviewed further details, such as which seven fire and emergency service agencies receive specified distributions of the fire funds. On the community housing side, the Committee reviewed a list of the four general housing subject areas and their target funding

CA2d



## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

allocations: Housing Production 70%, Rental Assistance 15%, Housing Needs Study 10%, and Set-Aside for Future Larger Projects 5%. The Board has established these percentages, and in the case of Community Housing, the subject areas, from recommendations by two ad hoc working groups, one for fire and emergency and one for community housing.

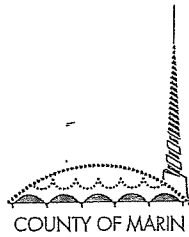
[2] The Auditors noted that there were minor calculation errors made regarding the county's 5% administrative overhead fee and the pooled interest income that each account earns. These errors appear to be minor and will be simple to rectify. Also, the Auditors have put in place procedures to avoid similar errors in the future.

[3] The Compliance Audit also recommends that fire and emergency services reports be completed within 30 days of the request for information and that certain records be kept by the agencies that receive Measure W TOT funds. We heartily endorse these recommendations. In addition, we recommend that County Fire and CDA post Measure W TOT Income and Expense numbers on their respective websites.

[4] The Compliance Audit contained an Appendix A which detailed (1) TOT amounts collected and paid to each fire agency and (2) TOT amounts collected for community housing, and how much was transferred to local agencies in each of three subject areas (nothing was transferred for the Set-Aside). The Compliance Audit also contained an Appendix B, which provided more detail, including, for the Community Housing component, the geographical area of each category of expense, including "various". However, the local agencies were not initially identified by name:

[5] The committee, as part of its oversight function, requested the Auditors to provide the names of the agencies receiving housing funds and the amount to each. They provided that information the following day in a document labelled Appendix B/Informational Only. The Auditors clarified that Appendix B/Informational Only was not part of the Compliance Audit Report. The latter showed the amounts paid to each agency by name, the subject area covered and a more detailed description of the intended purpose of the payments. The Committee appreciates the Auditors providing this additional information so quickly and requests that County Fire and the CDA provide this Appendix B/Informational Only-type information to accompany future Compliance Audits. We further suggest that this report be labelled simply "Supplemental Information".

[6] At all times during the review, the Auditors provided answers to the Committee's questions. The Committee remarked that the fire portion of the information was easier to understand than the community housing portion. We recognize also that there is an extra layer of information for the community housing side, and that audits of this type do not include the individual payee agencies, only the Community Development Agency (CDA). The initial presentation of the audit to the committee



## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

did not include a representative from CDA due to a scheduling conflict; a Fire representative was present. For future Committee meetings involving the Compliance Audit Report Review we request representatives from both CDA and Fire be present.

[7] As a final step in the oversight process, the Committee conducted an additional investigation. We sent an email to every recipient of TOT funds (except County Fire) as shown in Appendix B/Informational Only asking them to verify that they had received the funds noted and that they had, or will, spend the money for the purposes indicated.

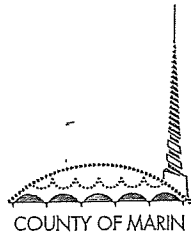
[8A] The results were positive. Regarding the Fire and Emergency funds, we initially had an issue reconciling the amounts of income reported in the Compliance Audit with the numbers provided to us by the fire districts. The Assistant Director of Finance, in subsequent emails and a phone call, explained that the audit was prepared on the accrual basis of accounting while the fire agencies provided the income information to us on the cash basis. After a conversion of the fire districts' information to the accrual basis the income corresponded exactly. The Fire expenses did not match as neatly. We contacted all six non-county fire districts in total. Three fire districts reported spending a bit more (\$52, \$212, and \$322 more) than the audit shows. Two fire districts reported spending much more than the audit shows: ten thousand dollars more in the first case and forty-eight thousand dollars more in the second. The sixth fire district confirmed that their funds were unspent, which matches the audit.

[8B] County Finance was very helpful in explaining details of these fire expenses as well as clarifying the overall process. Two of the small discrepancies are typos in the Compliance Audit. The other is the difference in what the district told County Fire and what they told the Committee.

[8C] The large discrepancies are of two types: (1) a difference in the amount reported to the County and to the Committee due to differences in the time period requested and (2) the non-response of one fire district to the Auditor's request for expense clarification until after the Compliance Audit had been completed, which led to a "zero" in that district's expense column. This district provided the Committee with a summary of expenses, which was the forty-eight thousand dollars mentioned above.

[9] Regarding the Community Housing amounts, all of the agencies confirmed the amount of income and expenses exactly in line with the Compliance Audit.

[10] Providing oversight regarding the fire expenses presents challenges because of the format and timing of the reports the fire districts provide. The Compliance Audit




## MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

contains recommendations that should ease these challenges, and the Committee has also learned ways to provide more effective oversight in the future. For example, we plan to start the inquiry process earlier and to ask for more specific information. This is a learning process for all involved.

[11] Despite the discrepancies, we have no reason to suspect that funds are unaccounted for or that expenditures are improper. We expect that the audit and review process will go more smoothly next year if all recommendations are implemented.

[12] We therefore are reasonably confident that the Measure W TOT funds were collected and distributed according to Measure W and Ordinance No. 3692 and that the Compliance Audit, with the exceptions noted above, is complete and correct. We recommend that the Board of Supervisors accept the Compliance Audit.

Sincerely,

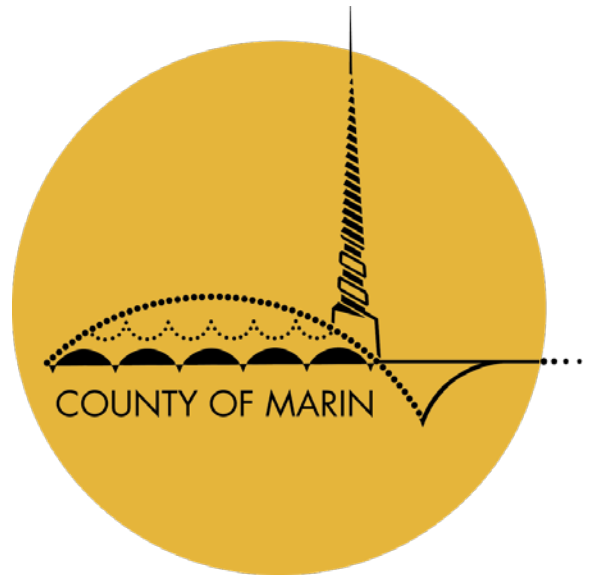


Scooby Zook  
Chair, Measure W TOT Oversight Committee

cc: Roy Given  
Leelee Thomas  
Jason Weber

Attachments: Appendix A - Measure W Compliance Audit (FY 2019-2020)  
Appendix B - Measure W TOT Proceed Expenditure Detail

**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 audit period January 1, 2019 through June 30, 2020

Department of Finance  
3501 Civic Center Drive, Suite 225  
San Rafael, CA 94903  
415 473 6154 T  
415 473 3680 F  
CRS Dial 711  
[marincounty.org/dof](http://marincounty.org/dof)

**APPENDIX A**

---

## Table of Contents

<b>I. Executive Summary</b> .....	3
Background .....	3
Governance Structure.....	3
Administration .....	4
Prioritization and Distribution of Funds .....	4
Allowable Costs.....	5
<b>II. Summary of Work</b> .....	5
Audit Scope and Objective.....	5
Audit Approach .....	5
Procedures Performed.....	6
<b>III. Findings and Recommendations</b> .....	8
Conclusion.....	8
<b>IV. Distribution</b> .....	8
<b>V. Supplemental Information</b>	
<b>Measure W West Marin TOT Account Balances by Service Area</b> .....	APPENDIX A
<b>Measure W West Marin TOT Proceed Expenditure Detail</b> .....	APPENDIX B



**DEPARTMENT OF FINANCE - INTERNAL AUDIT DIVISION**  
**MEASURE W-WEST MARIN TRANSIENT OCCUPANCY COMPLIANCE AUDIT**  
**FOR THE AUDIT PERIOD JANUARY 1, 2019 THROUGH JUNE 30, 2020 (18 MONTHS)**

Community Development Agency  
Marin County Fire Department  
Department of Finance  
Measure W West Marin TOT Oversight Committee  
Cathy Schwemm  
Emmanuel Serriere  
Michelle Clein  
Pamela Lichtenwalner  
Scoby Zook

**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 long-term community housing. Effective January 1, 2019, Measure W increased the TOT 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.

---

## **Administration**

The collection of TOT from short-term rental operators, including Measure W TOT, is administered by the Marin County Tax Collector.

Half of the Measure W TOT collected (50%) shall be allocated towards enhanced fire and emergency services in the West Marin Tax Area, with funds administered by the Marin County Fire Department. Included in this allocation are various fire districts and volunteer fire departments located in West Marin. Ordinance No. 3692 further states that the Marin County Fire Department shall not obtain more funds in a year than the combined allocation to other West Marin fire districts and volunteer fire departments.

The remaining half of the Measure W TOT collected (50%) must be allocated towards long-term community housing in the West Marin Tax Area, with funds administered by the Marin County Community Development Agency (CDA). All Measure W funding allocations are subject to the approval of the Marin County Board of Supervisors.

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

### **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.



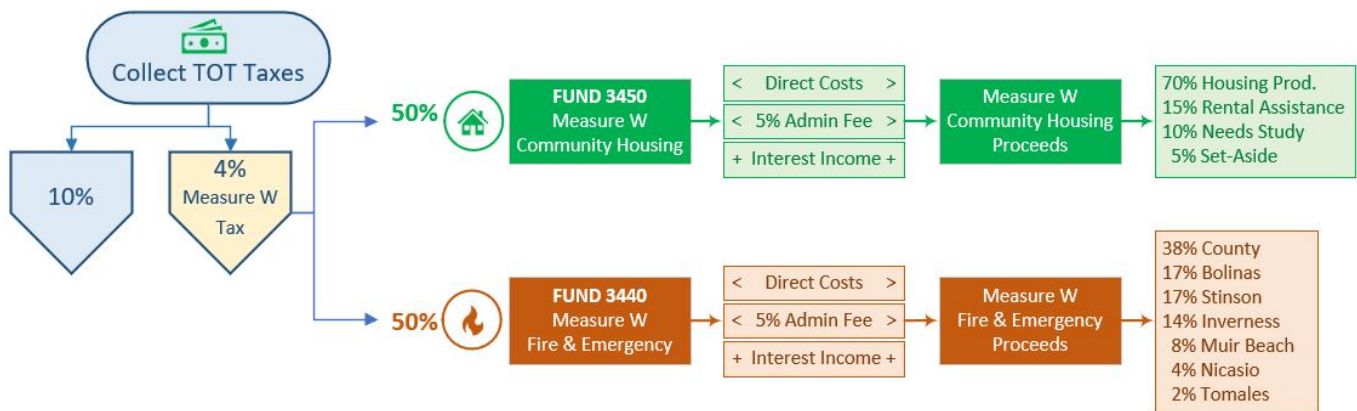
Through community engagement and discussion, the CDA Working Group recommended the following funding priorities for calendar year 2020, which was approved by the County of Marin Board of Supervisors on December 10, 2019:

- 1) Housing production (70%)
- 2) Rental assistance and security deposit assistance (15%)
- 3) Housing needs study (10%)
- 4) Set-aside for future larger projects (5%)

**Allowable Costs**

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 of January 1, 2019 through June 30, 2020 (18 months), 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 revenues and expenditures. This audit plan was reviewed and approved by the Oversight Committee on November 9, 2020. 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 audit work papers are available for review upon written request to the Department of Finance Internal Audit Division.

### Procedures Performed

We have performed the procedures enumerated below, which were agreed to by the Oversight Committee on November 9, 2020, on the proper allocation and accountability of Measure W TOT revenue as directed by Marin County Ordinance No. 3692 and Marin County Code, Section 3.05.035, for the measurement period January 1, 2019 through June 30, 2020.

The compliance 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 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.	Procedure performed with no exceptions.
2	Tax Collector	Assessed whether the Measure W TOT tax collection administration system of internal controls were operating effectively to minimize compliance risks	Procedure performed with no exceptions.
3	Tax Collector	Assessed the compliance and applicable audit assertions associated with the tax collection revenue of West Marin TOT spanning January 1, 2019 through June 30, 2020.	Procedure performed with no exceptions.
4	Tax Collector	Validated that the one-time direct costs of Measure W election (\$6,101.00) was reimbursed to the County of Marin Elections	Procedure performed with no exceptions.
5	Tax Collector	Validated that the annual administrative fee of not-to-exceed-5.0% was retained and not subject to distribution	Immaterial exceptions noted. Refer to <b>Finding #1</b> in <b>Section III</b> below.
6	Tax Collector	Examined Measure W TOT cash receipts spanning January 1, 2019 through June 30, 2020 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.	Procedure performed with no exceptions.
7	Fire & Emergency Services	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.	Observations noted. Refer to <b>Observation #1</b> in <b>Section III</b> below.

8	Fire & Emergency Services	Examined cash disbursements made from the Measure W TOT fire and emergency services special revenue fund spanning January 1, 2019 through June 30, 2020, and validated that such allocations were made in accordance with the Board-approved Allocation Plan between the members of the Fire Working Group dated June 1, 2019:		
		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.	Procedure performed with no exceptions.
		8(b)	Validated that such cash disbursements were allocated in accordance with the Board-approved Allocation Plan.	Immaterial exceptions noted. Refer to <b>Finding #2</b> in <b>Section III</b> below.
		8(c)	Examined evidential matter provided by County management and external agencies to verify that Measure W program expenditures for fire and emergency services were spent in accordance of the requirements of Measure W.	Procedure performed with no exceptions.
		8(d)	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.	Procedure performed with no exceptions.
9	Community Housing	Verified that an ad-hoc working group was established for the purpose of providing recommendations on the priorities and funding expenditures for West Marin long-term community housing, 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.		Procedure performed with no exceptions.
10	Community Housing	Examined cash disbursements made from the Measure W TOT community housing special revenue fund spanning January 1, 2019 through June 30, 2020, and validated that such allocations were made in accordance with the Board-approved Funding Priorities for Calendar Year 2020 Plan dated December 10, 2019:		
		10(a)	Validated that cash disbursements were allocated in accordance with the Board-approved Funding Priorities Plan.	Procedure performed with no exceptions.
		10(b)	Examined evidential matter provided by County management and to verify that Measure W program expenditures for long-term community housing were spent in accordance of the requirements of Measure W.	Procedure performed with no exceptions.
		10(c)	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.	Procedure performed with no exceptions.

### III. FINDINGS AND RECOMMENDATIONS

Based on the compliance procedures performed, we noted the following observations and findings, for which we made recommendations for correction and improvement.

1. **Finding #1:** Through our validation to determine whether an annual administrative fee of not-to-exceed-5.0% was retained and not subject to distribution (Compliance Procedure #5), we noted an immaterial exception. While an annual administrative fee was retained, the calculation for the administrative fee was understated due to the exclusion of quarterly interest income when calculating total Measure W TOT Revenue, of which the 5% administrative fee is based upon.

The table below provides a recalculation of the 5% administrative fee reserve for the year-ended June 30, 2019 and 2020, and compares our expected amount vs. actual:

RECALCULATION OF 5% ADMINISTRATIVE FEE RESERVE	1/01/19 – 6/30/19 FISCAL YEAR 2018-19	7/01/19 – 6/30/20 FISCAL YEAR 2019-20	TOTAL
Measure W TOT Collections	386,214	1,193,998	1,580,212
Add: Pooled Interest Income	1,111	19,727	20,837
Less: Direct Cost - Elections	(6,101)	-	(6,101)
Measure W TOT Revenue	381,224	1,213,725	1,594,948
5% Administrative Fee	x 5.0%	x 5.0%	x 5.0%
EXPECTED 5% Admin Fee Reserve	19,061	60,686	79,747
ACTUAL 5% Admin Fee Reserve	19,006	59,700	78,706
<b>Understated Admin Fee Reserve</b>	<b>55</b>	<b>986</b>	<b>1,041</b>

Recommendations:

To ensure that the not-to-exceed 5% administrative fee reserve is calculated accurately, we recommend that quarterly pooled interest income be incorporated into the overall calculation of Measure W TOT Revenue. To accomplish this, Management should perform a review and reconciliation of the fire and emergency services special revenue fund cash receipts and disbursements on an at-least quarterly basis, and that such review be reviewed and approved by someone other than the preparer.

Additionally, we noted that the 5% administrative fee reserve was calculated and recorded by the Marin County Tax Collector. We recommend that going forward, the calculation and recording of the administrative fee reserve be performed by the respective administrators of Measure W programs, namely Marin County Fire for and emergency services, and CDA for long-term community housing. The Marin County Tax Collector should remain consistent in their role solely as the collector of TOT cash receipts.

We further recommend that the necessary correcting entries be applied to FY 2018-19 and FY 2019-20 to adjust the 5% administrative fee reserve accordingly.

Management Response:

Marin County Tax Collector Management agreed with our recommendations.

2. **Observation #1:** Through our performance of Compliance Procedure #7, we 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 through an Allocation Plan, and that the Allocation Plan was approved by the Board accordingly.

However, through our review of the Allocation Plan, we noted that it did not contain provisions to address the timeliness of responding to reporting requests made by Marin County Fire as the administrator of Measure W TOT fire and emergency services. Additionally, we noted the Allocation Plan could use further improvement by providing a more detailed and descriptive expectation of what constitutes proper documentation and evidential matter to support and account for the expenditure of Measure W TOT funds, as well as explicitly provide a record retention period.

Recommendations:

We recommend that Management consider amending its Allocation Plan for fire and emergency services to add specific provisions related to the following areas:

- 1) *Timeliness of Reporting: "Within 30 days of periods ending June 30<sup>th</sup> and December 31<sup>st</sup>, a complete accounting of all revenues received under this agreement, the associated expenses incurred, and all relevant supporting documentation of Measure W TOT funds spent must be provided to Marin County Fire Department for review.*
  
- 2) *Books and Records: "Recipients of Measure W TOT funds shall maintain on a current basis complete books and records relating to Measure W TOT allocations received. Such records shall include, but are not limited to, documents supporting all income and expenditures. The books and records shall be a general ledger itemizing all debits and credits for Measure W TOT funds received and spent. In addition, Recipients shall maintain detailed payroll records, receipts, and invoices. These documents and records shall be retained for at least five years from reporting period."*

Management Response:

County of Marin Fire Department management agreed with our recommendations.

3. **Finding #2:** When performing Compliance Procedure #8a, we examined the cash disbursements made from the fire and emergency services special revenue fund applicable to TOT proceeds spanning January 1, 2019 through June 30, 2020. We noted that the allocation of funds applicable to this scope period were made in three installments:

Allocation Number	Applicable Fiscal Year	TOT Revenue Period	Allocation Date
#1	FY 2018-19	1/1/2019 – 6/30/2019	September 12, 2019
#2	FY 2019-20	7/1/2019 – 12/31/2019	May 5, 2020
#3	FY 2019-20	1/1/2020 – 6/30/2020	November 19, 2020

We recalculated total Measure W TOT Revenues and the not-to-exceed 5% administrative fee reserve. The resulting recalculation of Measure W TOT Proceeds was applied to the Board-approved Allocation

Plan by agency. When comparing our expected allocation amounts to actuals, we noted immaterial exceptions. The table below provides a recalculation of expected vs. actual allocations made applicable to Measure W TOT Revenues/Proceeds earned during the scope period January 1, 2019 through June 30, 2020.

RECALCULATION OF FIRE & EMERGENCY SERVICE ALLOCATIONS	1/01/19 – 6/30/19	7/01/19 – 6/30/20	TOTAL
	FISCAL YEAR 2018-19	FISCAL YEAR 2019-20	
Measure W TOT Collections (50%)	193,107	596,999	790,106
Pooled Interest Income	556	8,899	9,455
One-Time Election Reimbursement	(3,051)	-	(3,051)
<b>Measure W TOT Revenue</b>	<b>190,612</b>	<b>605,898</b>	<b>796,510</b>
Less 5% Admin Fee Reserve	(9,531)	(30,295)	(39,826)
<b>Measure W TOT Proceeds</b>	<b>181,081</b>	<b>575,603</b>	<b>756,684</b>

1/01/19 – 6/30/20 MEASURE W PROCEEDS	WEST MARIN AGENCY	ALLOCATION	EXPECTED ALLOCATION	ACTUAL ALLOCATION	UNDERSTATED ALLOCATIONS
→ 756,684	Bolinas	17%	128,636	128,583	53
	Inverness	14%	105,936	105,892	44
	Muir Beach	8%	60,535	60,510	25
	Nicasio	4%	30,267	30,255	12
	Stinson	17%	128,636	128,583	53
	Tomales	2%	15,134	15,127	7
	County Fire	38%	287,540	287,421	119
	<b>Total</b>	<b>100%</b>	<b>756,684</b>	<b>756,371</b>	<b>313</b>

Recommendations:

These immaterial exceptions were due to incorrect calculations of Measure W TOT Proceeds as of June 30, 2019, December 31, 2019, and June 30, 2020, for the purpose of calculating allocations owed to West Marin Agencies for intervals in September 2019, May 2020, and November 2020, respectively.

Similar to the recommendations provided in Finding #1 above, to ensure that Measure W fire and emergency service allocations to West Marin agencies are properly calculated and disbursed, we advise that quarterly pooled interest income should be incorporated into the overall calculation of Measure W TOT Revenue. This will ensure that the 5% Administrative Fee Reserve is correctly calculated and withheld from Measure TOT Proceeds, resulting in an accurate basis for which allocations are calculated and disbursed to the member agencies.

We further recommend that each disbursement allocation be reviewed and approved by someone other than the preparer, and that the immaterial differences noted above be made whole through the next interval of allocations made to member agencies for fire and emergency services.

Management Response:

Marin County Fire Management agreed with our recommendations.

---

## Conclusion

We have audited the Measure W compliance with the specific compliance requirements described in the County's Measure W ordinance for the period from January 1, 2019 through June 30, 2020, noting several process improvement observations and adjustments, for which corresponding departments agreed to incorporate and correct. We plan to follow-up and report the progress of the corrective actions plans to the Measure W Oversight Committee in the fall of 2021.

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 January 1, 2019 through June 30, 2020. A detailed accounting of Measure W TOT by Service Area, as of and for the fiscal years ending June 30, 2019 and 2020 is located in Appendix A 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.

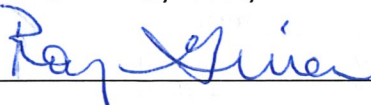
## IV. DISTRIBUTION

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

### Audit Team:

Margie Roberts, Audit Manager  
Michelle Babb, Auditor I

Issued this 11<sup>th</sup> day of May 2021



**Roy Given, CPA**  
**Director of Finance**

## APPENDIX A

**County of Marin**  
**Measure W West Marin TOT Account Balances by Service Area**  
**As of and for the Fiscal Year Ended June 30, 2019 and 2020**

<b>MEASURE W - FIRE &amp; EMERGENCY SERVICES</b>	1/1/2019 - 6/30/2019 <b>FY 2018-19</b>	7/1/2019 - 6/30/2020 <b>FY 2019-20</b>	<b>TOTAL</b>
Measure W TOT Collections	193,107.34	596,998.97	790,106.31
Pooled Interest Income	555.40	8,899.07	9,454.47
One-Time Election Reimbursement	(3,050.50)	-	(3,050.50)
<b>Total Measure W TOT Revenue</b>	<b>190,612.24</b>	<b>605,898.04</b>	<b>796,510.28</b>
Less: 5% Administrative Fee Reserve	(9,530.61)	(30,294.90)	(39,825.51)
<b>Total Measure W TOT Proceeds</b>	<b>181,081.63</b>	<b>575,603.14</b>	<b>756,684.77</b>
<u>Fire &amp; Emergency Funds Disbursed To:</u>			
Bolinas	(30,878.00)	(97,705.00)	(128,583.00)
Inverness	(25,429.00)	(80,463.00)	(105,892.00)
Muir Beach	(14,531.00)	(45,979.00)	(60,510.00)
Nicasio	(7,265.00)	(22,990.00)	(30,255.00)
Stinson	(30,878.00)	(97,705.00)	(128,583.00)
Tomales	(3,633.00)	(11,494.00)	(15,127.00)
County Fire	(69,022.00)	(218,399.00)	(287,421.00)
<b>Total Fire &amp; Emergency Disbursements</b>	<b>(181,636.00)</b>	<b>(574,735.00)</b>	<b>(756,371.00)</b>
<b>Measure W Proceeds Balance at June 30th</b>	<b>(554.37)</b>	<b>868.14</b>	<b>313.77</b>
<u>Measure W Proceeds Due (To)/From:</u>			
Bolinas	94.12	(147.53)	(53.41)
Inverness	77.57	(121.44)	(43.87)
Muir Beach	44.47	(69.25)	(24.78)
Nicasio	21.73	(34.13)	(12.39)
Stinson	94.12	(147.53)	(53.41)
Tomales	11.37	(18.06)	(6.70)
County Fire	210.98	(330.19)	(119.21)
<b>Total Measure W Proceeds Due (To)/From</b>	<b>554.37</b>	<b>(868.14)</b>	<b>(313.77)</b>
<b>Fire &amp; Emergency Services Fund Balance</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>MEASURE W - COMMUNITY HOUSING</b>	1/1/2019 - 6/30/2019 <b>FY 2018-19</b>	7/1/2019 - 6/30/2020 <b>FY 2019-20</b>	<b>TOTAL</b>
Measure W TOT Collections	193,107.34	596,998.97	790,106.31
Pooled Interest Income	555.40	10,828.39	11,383.79
One-Time Election Reimbursement	(3,050.50)	-	(3,050.50)
<b>Total Measure W TOT Revenue</b>	<b>190,612.24</b>	<b>607,827.36</b>	<b>798,439.60</b>
Less: 5% Administrative Fee Reserve	(9,530.61)	(30,391.37)	(39,921.98)
<b>Total Measure W TOT Proceeds</b>	<b>181,081.63</b>	<b>577,435.99</b>	<b>758,517.62</b>
<u>Community Housing Funds Disbursed For:</u>			
Housing Production	-	(221,810.00)	(221,810.00)
Rental and Security Deposit Assistance	-	(100,000.00)	(100,000.00)
Housing Needs Study	-	(10,000.00)	(10,000.00)
<b>Total Community Housing Disbursements</b>	<b>-</b>	<b>(331,810.00)</b>	<b>(331,810.00)</b>
<b>Measure W Proceeds Balance at June 30th</b>	<b>181,081.63</b>	<b>245,625.99</b>	<b>426,707.62</b>
<b>Community Housing Fund Balance</b>	<b>181,081.63</b>	<b>245,625.99</b>	<b>426,707.62</b>



APPENDIX B

County of Marin  
 Measure W West Marin TOT Proceed Expenditure Detail  
 As of and for the Fiscal Year Ended June 30, 2020

<b>FIRE &amp; EMERGENCY</b>	<b>Life-to-Date Measure W Proceeds Received</b>	<b>Life-to-Date Measure W Proceeds Spent</b>	<b>T/M</b>	<b>Measure W Proceeds On-Hand at June 30<sup>th</sup></b>	<b>Measure W Proceeds Receivable at June 30<sup>th</sup></b>	<b>Measure W Proceeds Unspent at June 30<sup>th</sup></b>
Bolinas	128,583.00	(36,271.00)	A	92,312.00	53.41	92,365.41
Inverness	105,892.00	(99,000.00)	B	6,892.00	43.87	6,935.87
Muir Beach	60,510.00	-		60,510.00	24.78	60,534.78
Nicasio	30,255.00	-		30,255.00	12.39	30,267.39
Stinson	128,583.00	(60,980.95)	C	67,602.05	53.41	67,655.46
Tomales	15,127.00	-		15,127.00	6.70	15,133.70
County Fire	287,421.00	(11,930.00)	D	275,491.00	119.21	275,610.21
<b>Total</b>	<b>756,371.00</b>	<b>(208,181.95)</b>		<b>548,189.05</b>	<b>313.77</b>	<b>548,502.82</b>

<b>COMMUNITY HOUSING</b>	<b>Life-to-Date Measure W Proceeds Received</b>	<b>Life-to-Date Measure W Proceeds Spent</b>	<b>Measure W Proceeds Unspent at June 30<sup>th</sup></b>
Housing Production	530,962.33	(221,810.00)	E
Rental & Security Deposit	113,777.64	(100,000.00)	F
Housing Needs Study	75,851.76	(10,000.00)	G
Set-Aside	37,925.88	-	
<b>Total</b>	<b>758,517.62</b>	<b>(331,810.00)</b>	<b>426,707.62</b>

<b>T/M</b>	<b>Nature of Funds Spent</b>	<b>Funds Spent</b>	<b>West Marin Area</b>	<b>Description</b>
A	Fire/emergency payroll	\$36,271.00	Bolinas	To fund 50% of Assistant Chief salary, increase in Night Officer Duty shift pay, and expansion of 4-month seasonal firefighter program to year-round part-time.
B	Fire/emergency payroll	\$99,000.00	Inverness	To fund 100% of Fire Services Officer position
C	Fire/emergency payroll	\$60,980.95	Stinson Beach	To fund 100% of Second Duty Officer position
D	Emergency generator	\$11,930.00	San Geronimo	Purchase and installation of generator at San Geronimo Valley Community Center gym. Facility will be used as an emergency shelter by Valley Emergency Readiness Group.
E	Preservation of affordable housing	\$150,000.00	Bolinas	Rehabilitation and legalization of unpermitted accessory structure at 430 Aspen Road to preserve as deed restricted affordable housing.
		\$50,000.00	Stinson	Acquisition and rehabilitation of 5-unit property at 3755 Shoreline Highway to preserve as deed restricted affordable housing.
		\$21,810.00	San Geronimo	Energy efficiency upgrades for 6 deed restricted affordable housing units at the Sage Lane Senior Housing Facility.
F	Rental assistance	\$37,000.00	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the northern portion of the Measure W tax area: Point Reyes Station, Inverness, Dillon Beach, Tomales, Marshall, and Olema.
		\$32,000.00	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the valley portion of the Measure W tax area: San Geronimo Valley, Lagunitas, Forest Knolls, Woodacre, and Nicasio.
		\$31,000.00	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the southern portion of the Measure W tax area: Bolinas, Muir Beach, and Stinson.
G	Housing Needs Study	\$10,000.00	Bolinas	Legal fees for the development of a pilot program ("Aging in Place Pilot Program") to allow seniors to age in their homes by providing financial assistance, in exchange for donation of property to the Bolinas Community Land Trust.

APPENDIX B

County of Marin  
 Measure W West Marin TOT Proceed Expenditure Detail  
 As of and for the Fiscal Year Ended June 30, 2020

FIRE & EMERGENCY	Life-to-Date	Life-to-Date	T/M	Measure W	Measure W	Measure W
	Measure W	Measure W		Proceeds On-Hand	Proceeds	Proceeds Unspent
	Proceeds Received	Proceeds Spent		at June 30 <sup>th</sup>	at June 30 <sup>th</sup>	at June 30 <sup>th</sup>
Bolinas	128,583.00	(36,271.00) A		92,312.00	53.41	92,365.41
Inverness	105,892.00	(99,000.00) B		6,892.00	43.87	6,935.87
Muir Beach	60,510.00	-		60,510.00	24.78	60,534.78
Nicasio	30,255.00	-		30,255.00	12.39	30,267.39
Stinson	128,583.00	(60,980.95) C		67,602.05	53.41	67,655.46
Tomales	15,127.00	-		15,127.00	6.70	15,133.70
County Fire	287,421.00	(11,930.00) D		275,491.00	119.21	275,610.21
<b>Total</b>	<b>756,371.00</b>	<b>(208,181.95)</b>		<b>548,189.05</b>	<b>313.77</b>	<b>548,502.82</b>

COMMUNITY HOUSING	Life-to-Date	Life-to-Date	Measure W
	Measure W	Measure W	Proceeds Unspent
	Proceeds Received	Proceeds Spent	at June 30 <sup>th</sup>
Housing Production	530,962.33	(221,810.00) E	309,152.33
Rental & Security Deposit	113,777.64	(100,000.00) F	13,777.64
Housing Needs Study	75,851.76	(10,000.00) G	65,851.76
Set-Aside	37,925.88	-	37,925.88
<b>Total</b>	<b>758,517.62</b>	<b>(331,810.00)</b>	<b>426,707.62</b>

T/M	Nature of Funds Spent	Funds Spent	Recipient Entity / Agency	West Marin Service Area	Description
A	Fire/emergency payroll	\$36,271.00	Bolinas Fire Protection District	Bolinas	To fund 50% of Assistant Chief salary, increase in Night Officer Duty shift pay, and expansion of 4-month seasonal firefighter program to year-round part-time.
B	Fire/emergency payroll	\$99,000.00	Inverness Public Utility District	Inverness	To fund 100% of Fire Services Officer position
C	Fire/emergency payroll	\$60,980.95	Stinson Beach Fire Protection District	Stinson Beach	To fund 100% of Second Duty Officer position
D	Emergency generator	\$11,930.00	San Geronimo Valley Community Center	San Geronimo	Purchase and installation of generator at San Geronimo Valley Community Center gym. Facility will be used as an emergency shelter by Valley Emergency Readiness Group.
E	Preservation of affordable housing	\$150,000.00	Bolinas Community Land Trust, Inc.	Bolinas	Rehabilitation and legalization of unpermitted accessory structure at 430 Aspen Road to preserve as deed restricted affordable housing.
		\$50,000.00	Bolinas Community Land Trust, Inc.	Stinson	Acquisition and rehabilitation of 5-unit property at 3755 Shoreline Highway to preserve as deed restricted affordable housing.
		\$21,810.00	San Geronimo Affordable Housing Association	San Geronimo	Energy efficiency upgrades for 6 deed restricted affordable housing units at the Sage Lane Senior Housing Facility.
F	Rental assistance	\$37,000.00	West Marin Community Services	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the northern portion of the Measure W tax area: Point Reyes Station, Inverness, Dillon Beach, Tomales, Marshall, and Olema.
		\$32,000.00	San Geronimo Valley Community Center	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the valley portion of the Measure W tax area: San Geronimo Valley, Lagunitas, Forest Knolls, Woodacre, and Nicasio.
		\$31,000.00	Bolinas Community Land Trust, Inc.	(various)	Establish a COVID-19 emergency rental assistance program to serve the communities of the southern portion of the Measure W tax area: Bolinas, Muir Beach, and Stinson.
G	Housing Needs Study	\$10,000.00	Bolinas Community Land Trust, Inc.	Bolinas	Legal fees for the development of a pilot program ("Aging in Place Pilot Program") to allow seniors to age in their homes by providing financial assistance, in exchange for donation of property to the Bolinas Community Land Trust.

Informational Only