



MEASURE W WEST MARIN TOT OVERSIGHT COMMITTEE

March 26, 2024

OVERSIGHT COMMITTEE

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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, 2022 to June 30, 2023.

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, 2022 to June 30, 2023.

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.

The Measure W Transient Occupancy Tax funds are overseen and administered by Marin County Fire Department for the fire and emergency services programs, whereby specific allocation amounts are provided to fire districts and volunteer fire departments located in West Marin and Marin Community Development Agency (CDA) oversees and administers the Measure W community housing program. All Measure W funding allocation and spending plans are subject to the approval of the Marin County Board of Supervisors.

SUMMARY: On March 12, 2024, the Audit report for fiscal year 2022-23 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 2022-23 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 one observation was 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 to record the administration fee timely to ensure financial records reflect accurate expenditures per audit period. Otherwise, the auditors reported there were no findings, difficulties, or any non-compliant issues during the audit.

The Committee recommends that the Department of Finance change future audit reports to provide more fund transparency, especially for the Community Housing funding priorities and allocations in the same fashion that fire/emergency services are broken out in Appendix C.

The Committee also requested that a footnote be added to page 4 that gives a website to the Community Housing site to locate more information regarding the funding priorities that have already been approved. Along with clarifications on terminology in Appendix A by including a footnote on this page.

The Department of Finance has added and corrected all items discussed in the report and the Committee is satisfied with the outcome of the current audit report and looks forward to reviewing future audit reports to ensure that the Committee's recommendation on creating transparency with respect to the Community Housing element are incorporated from the outset.

We recommend that the Board of Supervisors accepts the compliance audit report for the fiscal year of 2022-2023 along with the comments in this letter.

Sincerely,

Pamela Lichtenwalner
Chair
Measure W West Marin Transient Occupancy Oversight Committee