TOWN OF MORAGA
LOCAL SALES TAX OVERSIGHT COMMITTEE

LSTOC - REGULAR MEETING
MONDAY, AUGUST 10, 2026
5:00 PM

COUNCIL CHAMBERS
335 RHEEM BOULEVARD, MORAGA, CA 94556

This meeting can be viewed on the Town's YouTube Live channel at:
https://www.youtube.com/@TownofMoraga335

1. CALL TO ORDER / ROLL CALL

Chair: **Scott Parker**
Committee Members: **Spencer Schilling, Gian Panetta, Dirk Sodestrom, Susan Wright**

2. PUBLIC COMMENTS

This time is reserved for those in the audience who wish to address the Local Sales Tax Oversight Committee on items which are not on the agenda. The audience should be aware that the Committee cannot discuss details or vote on non-agenda items. Your concerns may be referred to staff or placed on a future agenda.

3. ADOPTION OF MEETING AGENDA

4. REPORTS FROM COMMITTEE MEMBERS AND STAFF LIAISONS

A. Annual FY 2024-25 Measure K Audit Report - DRAFT
LSTOC Annual Report 2024-25 DRAFT

5. DISCUSSION AND ACTION ITEMS

A. Approval of Minutes for the May 18, 2026, Local Sales Tax Oversight Committee Meeting
LSTOC 5-18-2026 Meeting Minutes DRAFT

6. ADJOURNMENT

Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the Local Sales Tax Oversight Committee regarding any item on this agenda after the agenda has been distributed will also be made available for inspection at Moraga Town hall during normal business hours. The Town of Moraga will provide accessible accommodations for citizens upon request with at east 72 business hours advance notice to the Public Works Department at (925) 888-7026.

Local Sales Tax Oversight Committee
Moraga, California
Annual Report for FY 2024/25

Background

At the general election of November 6, 2012, the voters of the Town of Moraga approved Measure K, a local one-cent Transaction and Use Tax (i.e., sales tax). On December 12, 2012, the Town Council certified the election results, confirming passage of Measure K, and, as called for in Measure K, established the Measure K Local Sales Tax Oversight Committee. Although Measure K tax revenues are legally general purpose funds, the Town Council committed to dedicating Measure K funds primarily to street improvements and repairs.

Introduction

The Local Sales Tax Oversight Committee (the Committee) is charged with the responsibility to report to the Town Council on the revenue and expenditures of the Local Sales Tax (also referred to as "Transaction and Use Tax"). The Committee consists of up to seven members, all residents of the Town of Moraga, appointed by the Town Council. Generally, terms are limited to three consecutive two-year terms for a total of six consecutive years. The Committee shall sunset in 2033. The Committee's specific duties are as follows:

- Annually review revenue receipts and expenditures of the Transactions and Use Tax.
- Annually review the status of the programs and services, funded wholly or partially, with proceeds from the Transactions and Use Tax.
- Annually prepare an independent report for the Town Council regarding the revenue and expenditure of the Transactions and Use Tax, as specified in the Committee's Charter.

The Committee's function is strictly oversight. It is not within the committee's purview to direct staff, recommend any particular contracts, or define the scope of a repair project. These responsibilities remain under the authority of the Town Council, Town Manager, and Town professional staff.

Summary of FY 2024/25 Measure K Revenues and Expenditures

In Fiscal Year 2024/25, the Town received annual Measure K Receipts (Sales Tax Revenue) and had expenditures for two Pavement Projects: the 2023-24 Street Rehabilitation Project (CIP 23-401) and the 2025 Street Rehabilitation Project (CIP 25-401). Additionally, there was a debt service transfer for the Certificates of Participation (COP) and street rehabilitation cost sharing in the form of resident reimbursements that were approved by the Town Council as part of the 2022 Paving Project.

Table 1 on Page 3 shows the annual Measure K revenues and expenditures. Audited fund balances were audited by an independent accountant audit team.

Table 2 on Page 4 shows the annual CIP project total expenditures and funding sources.

FY 2024/2025 Measure K Expenditure Review and Funds Use

The Committee sampled approximately $4,259,131, 86% of the $4,926,752 total Measure K expenses and transfers; this included 100% of the construction and staff/consultants costs. This consisted of reviewing the underlying documentation, such as invoices, staff time charges, revenue receipts, and other related documents. The committee also discussed various expenses with the Public Works Director and Administrative Services Director when further clarification and/or explanation was needed. The remaining $667,483, which included debt services and cost-sharing reimbursements, was not selected by the committee for review.

Measure K funds are intended to be used to fix local streets and roads, enhance quality and safety, and maintain Town services.

We are not aware of specific restrictions on the use of Measure K Funds, and the Council may allocate funds for uses other than the specific pavement management program without rescinding or adopting any previously written policies.

All Measure K funds reviewed in this reporting period were used for the Pavement Management Program and not for other General Fund purposes or Town services. Based on this review, the Committee believes the sampled expenses were consistent with and in support of Measure K's objectives and the associated goals of the Town Council. We, the Local Sales Tax Oversight Committee, have been monitoring the spending and continually assigning a clean bill of health with regard to Measure K Funds since the inception of the committee.

DRAFT

Table 1

Measure K Fiscal Year 2024-2025		
Beginning Audited Fund Balance (July 1, 2024)		**$2,755,954**
Funding Sources - Pavement Management Program		
Measure K Receipts		$2,669,802
LAIF Interest		$78,106
Transfer In - CIP 22-401 Project Closeout		$480,372
	Total	**$3,228,280**
Operating Expenditures		
Street Rehabilitation Cost Sharing Policy		$139,286
	Total	**$139,286**
Transfer Out		
2023-24 Pavement Rehabilitation – CIP 23-401		
Construction		$4,143,309
	Total	**$4,143,309**
2025 Pavement Rehabilitation – CIP 25-401		
Project Management/Staff Time/Design		$113,685
	Total	**$113,685**
Annual Debt Service		
Debt Service Transfer to 2013 COP		$530,472
	Total	**$530,472**
Total Transfers Out		**$4,787,466**
Total Expenditures & Transfers Out		**$4,926,752**
Measure K Net Change in Fund Balance, FY 2024-25 (Funding - Transfer Out - Expenditures)		**($1,698,471)**
Ending Audited Fund Balance, June 30, 2025		**$1,057,482**

Note: Measure K funds support multiple paving projects each year, many of which span more than one fiscal year. The balance represents restricted revenues carried forward to pay for projects already underway, planned future phases, and differences between the timing of revenue collections and project expenditures. The remaining balance does not indicate that funds are unused or uncommitted and therefore, the ending fund balance will typically not be zero.

Table 2

Fiscal Year 2024/2025	Pavement Management Program		
Expenditures - Pavement Management			
2023 Street Rehabilitation – CIP 23-401	**Measure K[1]**	**Other Funds[2]**	**Total**
Construction	$3,764,336	$2,201,211	$5,965,547
Construction Management	$378,973	$279,460	$658,433
Project Management/Staff Time	$0	$126,373	$126,373
Design Services	$0	$4,373	$4,373
Miscellaneous	$0	$0	$0
Total	**$4,143,309**	**$2,611,417**	**$6,754,726**
2025 Street Rehabilitation – CIP 25-401			
Construction	$0	$0	$0
Construction Management	$0	$0	$0
Project Management/Staff Time	$39,683	$3,314	$42,997
Design Services	$74,001		$74,001
Total	**$113,684**	**$3,314**	**$116,999**
Expenditures - Others			
Debt Service Transfer to 2013 COP	$530,472	$0	$530,472
Total - Other	**$530,472**	**$0**	**$530,472**
Total Expenditures	**$4,787,465**	**$2,614,731**	**$7,402,197**

[1]Measure K funds used in this period comprised 65% of all the listed road expenditures

[2]Other funds include Gas Tax (RMRA), Measure J, and Garbage Vehicle Impact Fees

Conclusions

The Committee has concluded:

- As noted earlier, Measure K funds are now sequestered in "Major Fund 213" of the professionally audited Town of Moraga Annual Comprehensive Report. Consequently, the accuracy of the financial documents provided us for our review of Measure K monies received and spent have been validated within that framework.
- Based on our review of the invoices and supporting documentation and discussions with Town Staff, all Measure K funds reviewed in this reporting period appear to have been used for the Pavement Management Program and not for other General Fund purpose needs or Town services.

- Following our review of those documents, the expenditures were found to be consistent with and in support of Measure K goals and objectives and the conditions set forth by the Town Council.
- We believe that the Pavement Management Program, which is largely funded by Measure K funds, proceeded in a manner consistent with commitments made to voters of Moraga.

This report has been researched, assembled, and presented in a manner the Committee believes is consistent with the stated objectives of the Town of Moraga Transaction and Use Tax Ordinance (a.k.a. Measure K), Ordinance No. 238, dated December 12, 2012.

In accordance with those directives, the Annual Report for FY 2024/2025 of the Local Sales Tax Oversight Committee is respectfully submitted:

DRAFT

The Members of the Local Sales Tax Oversight Committee:

Scott Parker, Chairperson _____

Spencer Schilling, Vice Chairperson _____

Gian Panetta _____

Dirk Sodestrom _____

Susan Wright _____

Town of Moraga
Local Sales Tax Oversight Committee

ACTION MINUTES
Monday, May 18, 2026
5:00 P.M.
Council Chambers and Community Meeting Room
335 Rheem Boulevard, Moraga, CA 94556

1. CALL TO ORDER

5:07 PM

2. ROLL CALL

Committee Present: Chair, Scott Parker, Spencer Schilling, Dirk Sodestorm
Committee Absent: Gian Panetta, Susan Wright

Town Staff Present: Nate Levine, Public Works Director, Katie Bruner, Administrative Services Director, Jeanet Lara, Senior Administrative Assistant

3. PUBLIC COMMENTS

No Public Comments Received

4. ADOPTION OF MEETING AGENDA

No changes to the meeting agenda were requested
ACTION: Adoption of the meeting agenda. (Vote 3 For/0 Against)

5. REPORTS FROM COMMITTEE MEMBERS AND STAFF LIAISONS

A. Brown Act Overview Summary

Overview discussion of Brown Act protocols.

B. FY2024-25 Measure K Pavement Presentation

Measure K overview: history of the pavement program, current and upcoming pavement projects, and next steps.

C. Review the Measure K Revenue/Expense Table for FY2024-25

Overview of Measure K Funds Usage and Funds Received

No Public Comments

6. DISCUSSION AND ACTION ITEMS

DRAFT

A. Approval of Minutes for the May 13, 2025, Local Sales Tax Oversight Committee Meeting

It was recommended that the "ACTION" items be changed to the committee members' last names for consistency.

ACTION: It was M/S (Schilling/Parker) to approve meeting minutes with recommended changes (Vote 3 For/0 Against)

B. Appoint a Committee Member as Vice Chair of the Committee

It was voted to appoint Spencer Schilling as Vice Chair to serve on the Committee. (Vote 3 For/0 Against)

C. Appoint Local Sales Tax Oversight Subcommittee to Perform Local Sales Tax Oversight Committee Audit Report to Town Council

It was voted to appoint Spencer Schilling and Dirk Sodestorm to serve on the Subcommittee. (Vote 3 For/0 Against)

ACTION: Staff will provide a ledger of Measure K Expenditures.

D. Establish Next Meeting Date

It was decided the next meeting will be scheduled based on the time required to review the ledger and supporting documentation.

No Public Comments

7. ADJOURNMENT

Meeting was adjourned at 6:26 PM

DRAFT

Notices of Local Sales Tax Oversight Committee meetings are posted at the Hacienda (2100 Donald Drive), the Moraga Commons, and the Moraga Public Library. Copies of the agenda packets can be viewed prior to the meeting at the Town Clerk's Office, 329 Rheem Blvd. The Town of Moraga will provide special assistance for disabled citizens upon at least 24 hours advance notice to the Town Clerk (925-888-7022). If you need sign language assistance or written material printed in a larger font or taped, advance notice is necessary. All meeting rooms are accessible to disabled.