



NORTHERN VIRGINIA CIGARETTE TAX BOARD

Collecting and enforcing cigarette taxes for Northern Virginia – Counties of Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park, and the towns of Clifton, Dumfries, Haymarket, Herndon, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville, Remington, Round Hill, Vienna, and Warrenton.

TO: Members of the Northern Virginia Cigarette Tax Board (NVCTB)
FROM: Juan Rengel, Administrator
DATE: May 30, 2024
SUBJECT: Draft Board Meeting Agenda and Meeting Materials

Dear members:

We are looking forward to our first bi-annual meeting of 2024! The meeting will be at 11:am on June 6, 2024, in person at NVCTB Headquarters.

Please find attached the following:

1. Draft agenda for the Meeting of the Board;
2. Draft Minutes from the November 2, 2023 Board Meeting;
3. Resolution 2024-01 (Virtual Meetings Policy)
4. Change to the NVCTB Pension Plan & Trust Agreement-Plan #001
5. FY2025 NVCTB Proposed Budget

If you have any questions or require additional information, please feel free to contact me at 703-802-0373 or by email at jrengel@nvctb.org.

NORTHERN VIRGINIA CIGARETTE TAX BOARD

14150 Newbrook Drive
Suite 210
Chantilly, VA 20151
Phone: 703-802-0373
TTY: 711; Fax: 703-802-0375
www.nvctb.org

AGENDA

Northern Virginia Cigarette Tax Board (NVCTB)

Board Meeting: June 6th, 2024, 1100 a.m.

NVCTB Headquarters Conference Room

14150 Newbrook Drive, Suite 210

Chantilly, VA 22151

In Person Meeting

FOR VIRTUAL ATTENDANCE

Microsoft Teams meeting

Click [here](#) to join the meeting

Meeting ID: 255 371 768 564

Passcode: R4djbx

Or call in (audio only)

[+1 571-786-9500](tel:+15717869500)

1. Occupancy for the meeting space is limited, so the NVCTB encourages members of the public to observe the meeting through the Microsoft Teams link provided above. Please contact Juan Rengel (jengel@nvctb.org) for information on how to connect to the meeting using this method.
2. Members of the public viewing the meeting through the Microsoft Teams option are required to mute themselves during the meeting unless called upon by the NVCTB Chair to speak. The NVCTB reserves the right to remove from its virtual meetings anyone who does not abide by these rules.
3. Access to meeting materials for members of the public is available on [Commonwealth Calendar](#).

- | | | |
|-------------|---|--------------------------------|
| I. | Call to Order | (Chair) |
| II. | Roll Call/Verification of Quorum | (Secretary) |
| III. | Administration | |
| | a. Review/Approval of Agenda | (Chair) |
| | b. Review/Approval of Board Meeting Minutes - November 2, 2023 | (Chair) |
| | c. Public Comment Period | (Chair) |
| | d. NVCTB Officers Reports | (Chair, Vice-Chair, Secretary) |
| IV. | Regulatory Items | |
| | a. Resolution 2024-01 (Virtual Meetings Policy) | (Administrator) |
| | b. Change to the NVCTB Pension Plan & Trust Agreement-Plan #001 | (Administrator) |
| V. | FY2025 NVCTB Proposed Budget | (Administrator) |
| VI. | Appointment of NVCTB Officers for FY25 (July 1, 2024-June 30, 2025). | (Chair) |

- | | |
|--|-------------|
| VII. EXECUTIVE SESSION | (Secretary) |
| VIII. RECONVENE TO OPEN SESSION | (Secretary) |
| IX. ADJOURNMENT | (Chair) |

It is the policy of the Northern Virginia Cigarette Tax Board that public meetings are accessible to people with disabilities. Special assistance in participating due to a disability as defined in the Americans with Disabilities Act (ADA) may be requested by contacting the NVCTB by email at info@nvctb.org, or call 703-802-0373. Every reasonable effort will be made to meet requests.

MINUTES OF MEETING OF THE NORTHERN VIRGINIA CIGARETTE TAX BOARD

November 2, 2023

MEMBERS PRESENT:

P. Johnson, City of Fairfax
M. Serfass, Town of Vienna
G. Bruch, Fairfax County
E. Maybach, Fauquier County
M. Attreed, Prince William County
J. Elliott, Spotsylvania County
K. Greenlief, City of Alexandria
T. Demeria, City of Manassas
J. McNeal, City of Manassas Park
J. Schulz, Town of Herndon
J. LaPadula, Town of Lovettsville
T. Staples, Town of Middleburg
C. LeMarr, Town of Purcellville
M. Hynes, Town of Round Hill
S. Miller, Town of Warrenton

ALSO PRESENT:

J. Rengel, Administrator
J. Zottig, Deputy Administrator-Finance
D. Johnson, Chief Revenue Agent
M. Aukamp, Auditor
Dunham, Aukamp & Rhodes PLC

Call to Order:

The meeting commenced at 11:02 A.M. with a Roll Call of each Jurisdiction by Mr. G. Bruch, Secretary. Upon completion of Roll Call, Mr. P. Johnson, Chairman, noted that a Quorum was present.

I. Approve the Agenda:

As first order of business, Mr. P. Johnson requested a motion to adopt the agenda. Mr. K. Greenlief made the motion for adopting the agenda and was seconded by Ms. J. Elliott.

II. Approve the Minutes:

Mr. P. Johnson moved to review the minutes of the June 8, 2023, meeting and to dispense with the reading of the minutes. With no corrections or additions noted, Ms. M. Attreed made the motion for adopting the minutes as recorded and was seconded by Mr. G. Bruch.

III. Officers Reports:

Mr. P. Johnson, Chairman, had no report but would hold comment on one item until Executive Session.

Ms. M. Serfass, Vice-Chairwoman, had no report.

Mr. G. Bruch, Secretary/Treasurer, had no report.

IV. Review of the FY23 Draft Audit:

Mr. P. Johnson introduced Mr. Michael Aukamp with Dunham, Aukamp & Rhodes to present the Draft Audit Report. Mr. Aukamp began his presentation noting that the Audit went smoothly with no issues noted or disagreements with management over policies and commended the accounting system and staff on their work providing information to the Jurisdictions. Mr. Aukamp discussed the independent audit report and briefly highlighted sections of the report with required disclosures. Overall, there were no significant changes from year to year, implying that the organization is running efficiently. With no questions directed to Mr. Aukamp from the members present regarding the Audit, Mr. P. Johnson requested a motion to accept the auditor's report dated June 30, 2023, as written. Ms. M. Attreed made the motion to accept, with second by Ms. M. Serfass and was unanimously approved. Mr. K. Greenlief asked if the board would receive copies of the final audit report once completed. Mr. M. Aukamp advised he would forward the final representation letter and exited the meeting.

V. Administrator Update:

Mr. J. Rengel advised that an overview document was previously provided in October to all members with a summary of first quarter. It was noted that Josh McNeal, Finance Operations Manager, was now representing City of Manassas Park. Additionally, there have been two meetings with the other Regional Tax Boards, the first for a demonstration of the new software system and the second, an all hands on deck type meeting, where best practices were reviewed for the goal of administering taxes with some uniformity across the state. Mr. P. Johnson had attended the second meeting and noted the diverse representation at the meeting, reiterating the purpose of addressing issues proactively vs. reactively, if the General Assembly was to weigh in.

VI. Executive Session:

Mr. P. Johnson asked to move into Executive Session and requested a motion for the Executive Session. Mr. G. Bruch moved to convene in Closed Meeting under Section 2.2-3711.A.1 of the Code of Virginia. All Board members present voted aye unanimously and the Board entered into closed session at 11:20 A.M.

VII. Reconvene to Open Session:

The meeting reconvened at 11:26 A.M. from closed session.

VIII. Additional Matters:

Mr. P. Johnson introduced the matter of updates needed to the current model ordinances, as some of these ordinances have not been modified in over fifteen years. Ideally these updates should be put in place with any rate increases, effective July 1, 2024, the beginning of next Fiscal Year. The Chairman encouraged the member localities to take needed steps to adopt the ordinance changes as smoothly as possible, in an attempt to streamline the model ordinances at local level. The Administrator will assist by providing the needed updates to the ordinances. Mr. J. Rengel highlighted some of the changes to the model ordinances, such as the maximum penalty thresholds and the requirement for written acknowledgement vs. electronic means of communication, all with the goal of simplifying the language.

IX. Adjournment:

Mr. P. Johnson thanked everyone for their participation and requested for motion to adjourn. Ms. M. Attreed made the motion to adjourn and was seconded by Mr. G. Bruch. The meeting adjourned at 11:30 A.M.

RESOLUTION 2024-01

A RESOLUTION OF THE NORTHERN VIRGINIA CIGARETTE TAX BOARD, ADOPTING A FORMAL POLICY FOR VIRTUAL MEETING PARTICIPATION

WHEREAS, the Board does not currently have a virtual public meeting policy;

WHEREAS, the Administrator of the Board recognizes the need to establish a formal virtual public meeting policy in accordance with Code of Virginia § 2.2-3708.3;

NOW, THEREFORE, BE IT RESOLVED: That the Board adopts policy 2024-01, Policy for Virtual Public Meetings, for the establishment of a formal policy, restricted to the purposes for which it was established, applied strictly and uniformly, without exception, to the entire membership without regards to the matters that will be considered or voted on at the meeting.

PASSED AND ADOPTED by the Northern Virginia Cigarette Tax Board, at a regularly scheduled Board meeting on the 6th day of June 2024. This resolution shall become effective immediately.

W. Page Johnson, Chair
NVCTB

ATTEST:

Juan Rengel, Administrator
NVCTB

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
VIRTUAL MEETINGS AND
REMOTE PARTICIPATION IN MEETINGS POLICY
(as required by § 2.2-3708.3)**

General

By enacting Title 2.2, Subtitle II, Part B, Chapter 37 (Freedom of Information Act), the General Assembly establishes policies to ensure the people of the Commonwealth ready access to public records in the custody of a public body or its officers and employees, and free entry to meetings of public bodies wherein the business of the people is being conducted. Unless a public body or its officers or employees specifically elect to exercise an exemption provided by this chapter or any other statute, every meeting shall be open to the public and all public records shall be available for inspection and copying upon request. All public records and meetings shall be presumed open, unless an exemption is properly invoked.

The provisions of the Virginia Freedom of Information Act must be liberally construed to promote an increased awareness by all persons of governmental activities and afford every opportunity to citizens to witness the operations of government. Any exemption from public access to records or meetings must be narrowly construed and no record shall be withheld, or meeting closed to the public unless specifically made exempt pursuant to the Virginia Freedom of Information Act or other specific provision of law. the Virginia Freedom of Information Act shall not be construed to discourage the free discussion by government officials or employees of public matters with the citizens of the Commonwealth.

Pursuant to Virginia Code § 2.2-3708.3(A), public bodies are encouraged to (i) provide public access, both in person and through electronic communication means, to public meetings and (ii) provide avenues for public comment at public meetings when public comment is customarily received, which may include public comments made in person or by electronic communication means or other methods.

As required by Virginia Code § 2.2-3708.3(D), the Northern Virginia Cigarette Tax Board (the “NVCTB”) as a Regional Public Body has established a policy regarding virtual meetings and remote participation in meetings by its members.

Definitions

As used in Title 2.2, Subtitle II, Part B, Chapter 37 (Freedom of Information Act), effective September 1, 2022, unless the context requires a different meaning:

"All-virtual public meeting" means a public meeting (i) conducted by a public body, other than those excepted pursuant to subsection C of § 2.2-3708.3, using electronic communication means,

(ii) during which all members of the public body who participate do so remotely rather than being assembled in one physical location, and (iii) to which public access is provided through electronic communication means.

"Closed meeting" means a meeting from which the public is excluded.

"Electronic communication" means the use of technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities to transmit or receive information.

"Emergency" means an unforeseen circumstance rendering the notice required by this chapter impossible or impracticable and which circumstance requires immediate action.

"Information," as used in the exclusions established by §§ 2.2-3705.1 through 2.2-3705.7, means the content within a public record that references a specifically identified subject matter, and shall not be interpreted to require the production of information that is not embodied in a public record.

"Meeting" or "meetings" means the meetings including work sessions, when sitting physically, or through electronic communication means pursuant to § 2.2-3708.2 or 2.2-3708.3, as a body or entity, or as an informal assemblage of (i) as many as three members or (ii) a quorum, if less than three, of the constituent membership, wherever held, with or without minutes being taken, whether or not votes are cast, of any public body. Neither the gathering of employees of a public body nor the gathering or attendance of two or more members of a public body (a) at any place or function where no part of the purpose of such gathering or attendance is the discussion or transaction of any public business, and such gathering or attendance was not called or prearranged with any purpose of discussing or transacting any business of the public body, or (b) at a public forum, candidate appearance, or debate, the purpose of which is to inform the electorate and not to transact public business or to hold discussions relating to the transaction of public business, even though the performance of the members individually or collectively in the conduct of public business may be a topic of discussion or debate at such public meeting, shall be deemed a "meeting" subject to the provisions of this chapter.

"Official public government website" means any Internet site controlled by a public body and used, among any other purposes, to post required notices and other content pursuant to this chapter on behalf of the public body.

"Open meeting" or "public meeting" means a meeting at which the public may be present.

"Public body" means any legislative body, authority, board, bureau, district, or agency of the Commonwealth or of any political subdivision of the Commonwealth, including counties, cities, and towns, municipal councils, governing bodies of counties, school boards, and planning boards; governing boards of public institutions of higher education; and other organizations, corporations, or agencies in the Commonwealth supported wholly or principally by public funds. It shall include (i) the Virginia Birth-Related Neurological Injury Compensation Program and its board of directors established pursuant to Chapter 50 (§ 38.2-5000 et seq.) of Title 38.2 and (ii) any committee, subcommittee, or other entity however designated of the public body created to

perform delegated functions of the public body or to advise the public body. It shall not exclude any such committee, subcommittee, or entity because it has private sector or citizen members. Corporations organized by the Virginia Retirement System are "public bodies" for purposes of this chapter. For the purposes of the provisions of this chapter applicable to access to public records, constitutional officers and private police departments as defined in Virginia Code § 9.1-101 shall be considered public bodies and, except as otherwise expressly provided by law, shall have the same obligations to disclose public records as other custodians of public records.

"Public records" means all writings and recordings that consist of letters, words, or numbers, or their equivalent, set down by handwriting, typewriting, printing, photostating, photography, magnetic impulse, optical or magneto-optical form, mechanical or electronic recording, or other form of data compilation, however stored, and regardless of physical form or characteristics, prepared or owned by, or in the possession of a public body or its officers, employees, or agents in the transaction of public business.

"Regional public body" means a unit of government organized as provided by law within defined boundaries, as determined by the General Assembly, which unit includes two or more localities.

"Remote participation" means participation by an individual member of a public body by electronic communication means in a public meeting where a quorum of the public body is otherwise physically assembled.

"Scholastic records" means those records containing information directly related to a student or an applicant for admission and maintained by a public body that is an educational agency or institution or by a person acting for such agency or institution.

"Trade secret" means the same as that term is defined in the Uniform Trade Secrets Act (§ 59.1-336 et seq.).

Statutory Requirements

Pursuant to Virginia Code § 2.2-3708.3, individual members of the NVCTB may use remote participation instead of attending a public meeting in person if the body has adopted a policy regarding remote participation and the member notifies the Administrator that:

1. The member has a temporary or permanent disability or other medical condition that prevents the member's physical attendance;
2. A medical condition of a member of the member's family requires the member to provide care that prevents the member's physical attendance;
3. The member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting; or
4. The member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter. However, the member may not use remote participation due to personal matters more than two meetings per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.

If participation by a member through electronic communication means is approved by the Administrator, the NVCTB must record in its minutes the remote location from which the member participated; however, the remote location need not be open to the public and may be identified in the minutes by a general description. If participation is approved due to a disability or medical condition of the member or a member of his or her family, the NVCTB is required to include in its minutes the fact that the member participated through electronic communication means due to a (i) temporary or permanent disability or other medical condition that prevented the member's physical attendance or (ii) family member's medical condition that required the member to provide care for such family member, thereby preventing the member's physical attendance. If participation is approved due to the distance of the member's residence, the NVCTB is required to include in its minutes the fact that the member participated through electronic communication means due to the distance between the member's principal residence and the meeting location. If participation is approved due to a personal matter, the NVCTB must include in its minutes the specific nature of the personal matter cited by the member.

If a member's participation from a remote location pursuant to this subsection is disapproved because such participation would violate the NVCTB's policy, such disapproval must be recorded in the minutes with specificity.

Under § 2.2-3708.3(C), the NVCTB may hold all-virtual public meetings, provided that the agency follows all other requirements for meetings, the agency has adopted the policy required by § 2.2-3708.3(D), and:

1. An indication of whether the meeting will be an in-person or all-virtual public meeting is included in the required meeting notice along with a statement notifying the public that the method by which the NVCTB chooses to meet shall not be changed unless the agency provides a new meeting notice in accordance with the provisions of § 2.2-3707;
2. Public access to the all-virtual public meeting is provided via electronic communication means;
3. The electronic communication means used allows the public to hear all NVCTB members participating in the all-virtual public meeting and, when audio-visual technology is available, to see the members of the public body as well;
4. A phone number or other live contact information is provided to alert the agency if the audio or video transmission of the meeting provided by the NVCTB fails, the agency monitors such designated means of communication during the meeting, and the agency takes a recess until public access is restored if the transmission fails for the public;
5. A copy of the proposed agenda and all agenda packets and, unless exempt, all materials furnished to members of the NVCTB for a meeting is made available to the public in electronic format at the same time that such materials are provided to members;

6. The public is afforded the opportunity to comment through electronic means, including by way of written comments, at those public meetings when public comment is customarily received;
7. No more than two members of the public body are together in any one remote location unless that remote location is open to the public to physically access it;
8. If a closed session is held during an all-virtual public meeting, transmission of the meeting to the public resumes before the NVCTB votes to certify the closed meeting as required by subsection D of § 2.2-3712;
9. The NVCTB does not convene an all-virtual public meeting (i) more than two times per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, or (ii) consecutively with another all- virtual public meeting; and
10. Minutes of all-virtual public meetings held by electronic communication means are taken as required by § 2.2-3707 and include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held. If a member's participation from a remote location pursuant to this subsection is disapproved because such participation would violate the adopted policy, such disapproval must be recorded in the minutes with specificity.

The NVCTB policy regarding all-virtual public meetings and members' remote participation, is to be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

Policy as to Circumstances under which All-Virtual Public Meetings Will Be Allowed

The decision to hold an in-person or all-virtual public meeting will be made by the NVCTB's Administrator. In determining whether to hold an in-person or all-virtual meeting, the Administrator should consider the health of members, staff and the public and potential issues with technologies available for remote access by members and the public. The Administrator will make the decision to hold an in-person or all-virtual meeting at least one week prior to the scheduled meeting date. NVCTB staff shall post whether the meeting will be in-person or all-virtual on its website at least 3 business days prior to the scheduled meeting date. In the absence of the NVCTB's Administrator, the NVCTB's Chairman will make such determinations.

As specified in § 2.2-3708.3(B), the NVCTB cannot hold an all-virtual public meeting more than two times per calendar year and cannot hold two consecutive all-virtual meetings.

Policy as to Circumstances under which Remote Participation Will Be Allowed

As required by § 2.2-3708.3(B), individual NVCTB members may use remote participation instead of attending a public meeting in person if the member notifies the NVCTB Administrator in advance of the public meeting and specifies one of the following conditions for which remote participation is permitted by *Code*:

1. The member has a temporary or permanent disability or other medical condition that prevents the member's physical attendance;
2. A medical condition of a member of the member's family requires the member to provide care that prevents the member's physical attendance;
3. The member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting; or
4. The member is unable to attend the meeting due to a personal matter and identifies with specificity the nature of the personal matter. However, the member may not use remote participation due to personal matters more than two meetings per calendar year.

If remote participation by the member is approved, the minutes of the meeting will specify that the member participated remotely, the location from which the member participated, and the specific condition cited by the member when notifying the Administrator of his or her need for remote participation. If a member's participation from a remote location is disapproved because such participation would violate the NVCTB's policy, such disapproval must be recorded in the minutes with specificity.

Process for Members to Request Remote Participation in a Meeting

Requests by members to participate in a meeting remotely must be submitted in writing or by e-mail to the NVCTB's Administrator. Approval or disapproval of the request is at the discretion of the Administrator. As specified in § 2.2- 3708.3(B), a member may not use remote participation due to personal matters more than two meetings per calendar year.

Once the Administrator has approved or disapproved the member's request for remote participation, the Administrator shall notify the member of the decision. The Administrator will keep records of member requests and whether or not the Administrator approved or disapproved each request.

In the absence of the NVCTB's Administrator, the NVCTB's Chairman will make such determinations.

NORTHERN VIRGINIA CIGARETTE TAX BOARD

Chantilly, Virginia

EXTRACT from MINUTES
of
MEETING of BOARD
Containing
THIRD AMENDMENT
to
PENSION PLAN AND TRUST AGREEMENT
Effective July 1, 2021

The undersigned, being the Chairperson of NORTHERN VIRGINIA CIGARETTE TAX BOARD, hereinafter referred to as the “Employer”, a governmental organization with principal office located at 14150 Newbrook Drive, Suite 210, Chantilly, Virginia 20151, does hereby certify that the following Resolutions were adopted by the Board at a meeting duly held on June 6, 2024, at which a quorum was present:

WHEREAS, the Employer maintains a Pension Plan and Trust Agreement (“Plan”) for the benefit of its Employees; and

WHEREAS, under the provisions of the revised Agreement and Declaration covering the Plan, effective July 1, 2021, the Employer retained the right to amend the Plan in any and all respects at any time and from time to time, which right has been exercised on two prior occasions; and

WHEREAS, the Employer now desires to amend further said Plan;

NOW, THEREFORE, the premises considered,

Be It

RESOLVED, That the aforesaid revised Agreement covering the Plan, as amended, be, and the same is, hereby further amended, effective July 1, 2024, in the following respect:

ARTICLE III

Section 3.02 – Amended by striking the first sentence and substituting in lieu thereof the following new sentence:

“Effective for Plan Years beginning on or after July 1, 2024, subject to the provisions of Section 4.01, the Employer shall contribute for each pay period an amount equal to thirty-three and forty-six one hundredths percent (33.46%) of the Compensation paid to each Participant for that pay period.”

IN GENERAL

Any provision of the aforesaid revised Agreement, as amended, inconsistent with the foregoing change is hereby amended to be consistent therewith.

And Be It

FURTHER RESOLVED, That the Chairperson of the Employer be, and he or she is, hereby authorized and directed to notify the Participants under the Plan of the change made in the Plan by the foregoing Resolution.

Chairperson

**NORTHERN VIRGINIA CIGARETTE TAX BOARD
FY 2025 BUDGET PRESENTATION**



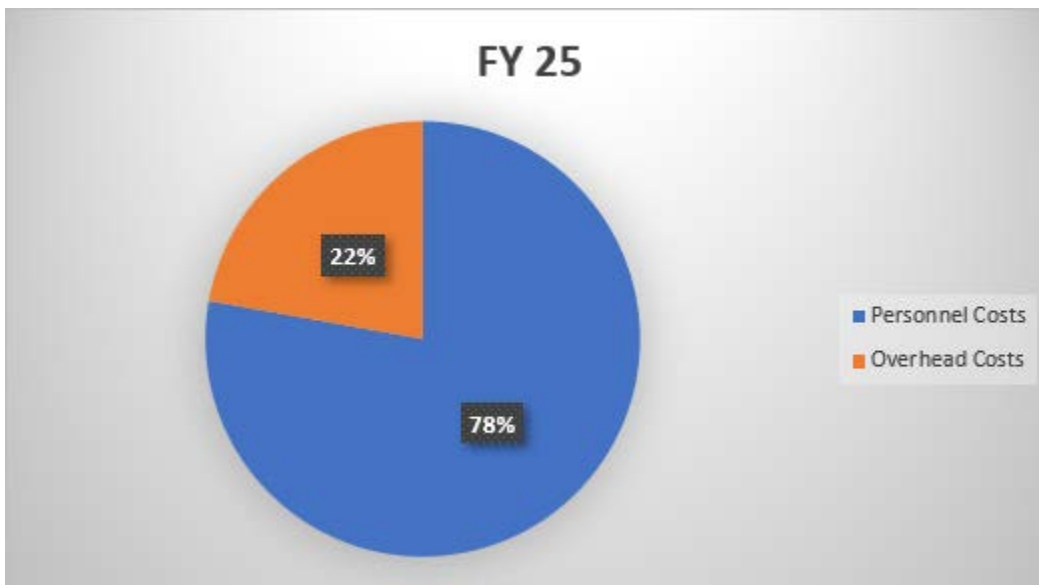
**14150 Newbrook Drive
Suite 210
Chantilly, VA 20151**

**Juan Rengel
Administrator**

BUDGET HIGHLIGHTS

- Revenues: \$22,839,098.

- Expenditures: \$1,430,700.
 - Increase in the following categories totaling \$31,400:
 - Bond/Insurance - \$700
 - Health Insurance - \$8,000
 - Employer Retirement - \$13,000
 - Rent - \$3,000
 - Tax Stamps - \$5,000
 - Disability - \$1,700
 - Decrease in the following categories totaling \$21,600:
 - Telephone - \$1,000
 - Employer Life Insurance - \$1,500
 - Computer Services - \$10,000
 - Office Supplies - \$2,500
 - Printing - \$1,000
 - Travel - \$4,500
 - Unemployment Insurance - \$100
 - Retirement Plan Maintenance - \$1,000



- The NVCTB fringe benefits are on its own and no longer included with City of Fairfax:

Benefit	FY24	FY25
Health Insurance *	TLC (Anthem) > Key Advantage 250 > Key advantage Exp	TLC (Anthem) > Key advantage Exp
Life, STD, LTD *	The Standard	The Lincoln
Legal/ID protection *	Legal Resources	LegalShield IDShield
Flex Spending	Advance Benefit Strategies (ABS)	Advance Benefit Strategies (ABS)
Deferred Comp (457)	Mission Square	Mission Square
Employee Assistance Program (EAP)	LytleEAP	LytleEAP
* Included with City of Fairfax in FY24		

- Retirement contribution increase is due to the 3.5% pay increase to staff and the increase in the retirement contribution from 32.22% to 33.46% as shown below:

Retirement Contribution		
Description	FY24	FY25
Social Security	6.20%	6.20%
City Retirement Plan	11.41%	12.30%
VRS Contribution	14.61%	14.96%
Total	32.22%	33.46%

- **Cigarette Tax Tracking System Enhancements**

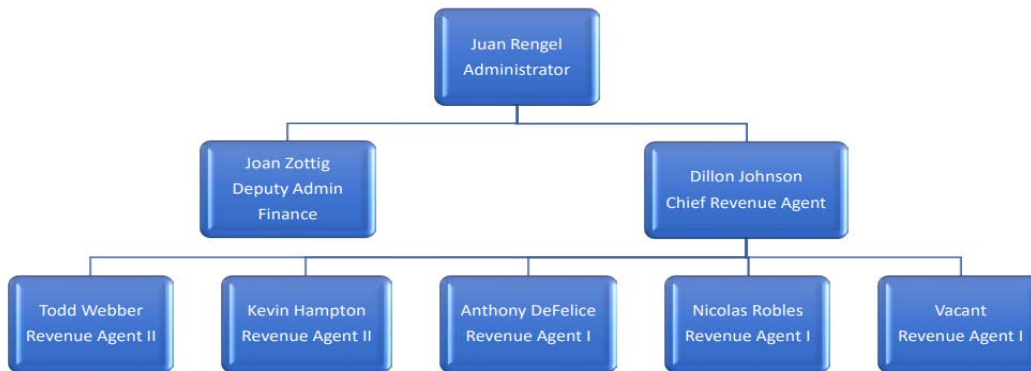
- Tax Rate increases in 6 jurisdictions:
 - Fairfax County
 - Stafford County
 - Spotsylvania County
 - City of Fredericksburg
 - Town of Hillsboro
 - Town of Clifton
- Adding Floor Tax Functionality to accommodate Code of Virginia §58.1-3830.D.
 - Floor Tax Activity for Jurisdictions instead of wholesalers.
 - Manually enter floor tax rate (\$0.10, \$0.09 or \$0.05).
 - Select Jurisdiction from drop down menu.
 - STT adds all active retailers for the selected jurisdiction.
 - Just like we do now with wholesalers, we will enter reported packs for each retailer.
- Additional Reporting Needs

NVCTB Staffing

We currently have 8 FTE as shown below.

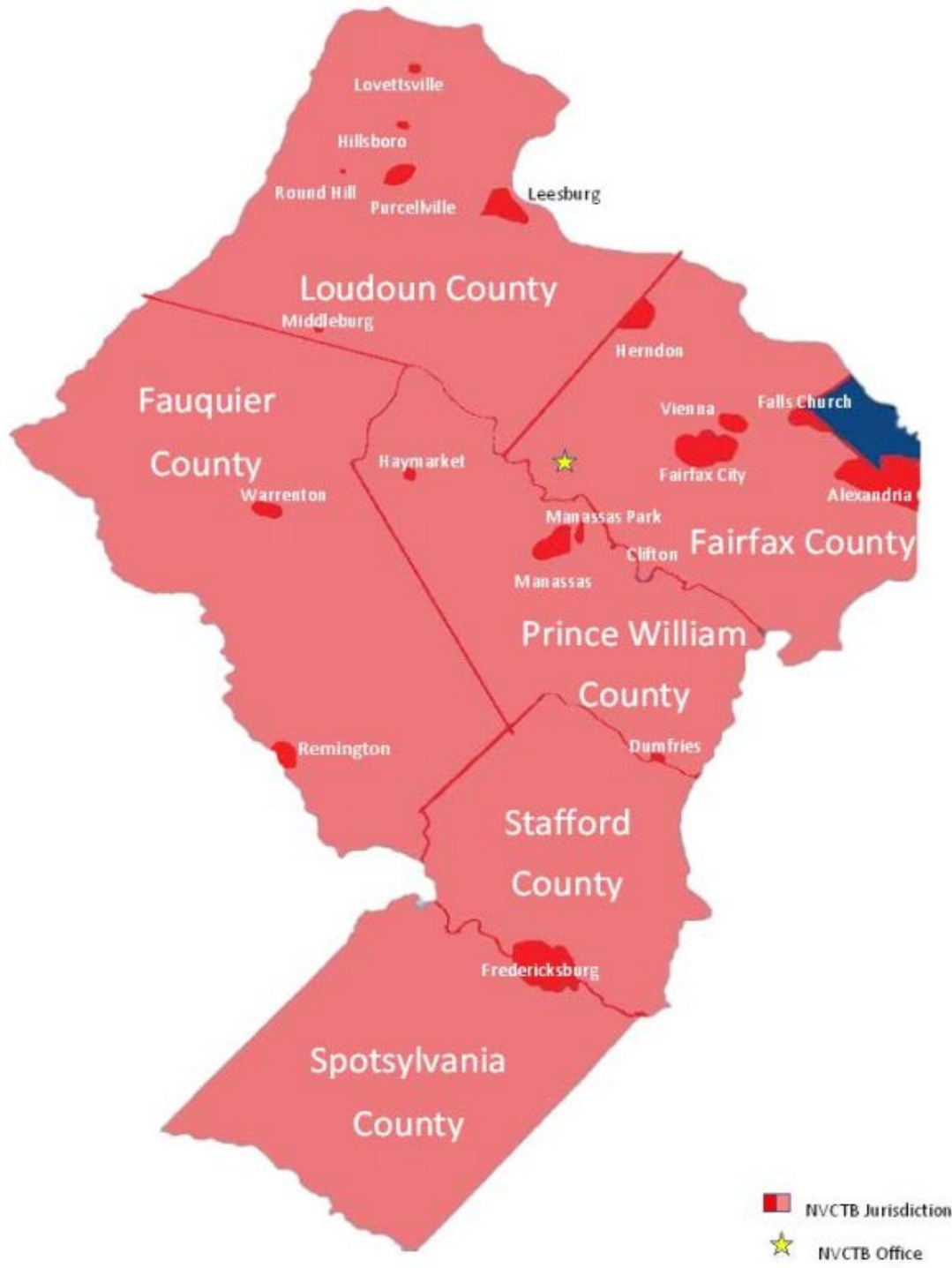
Personnel Classification	Grade	FY21	FY22	FY23	FY24	FY25
Administrator	126	1	1	1	1	1
Deputy Admin - Fin	122	0	1	1	1	1
Deputy Admin - Ops	122	1	1	0	0	0
Chief Revenue Agent	121	1	1	1	1	1
Revenue Agent II	119	0	0	1	1	2
Revenue Agent I	117	2	4	4	4	3
Total FTE		5	8	8	8	8

Organizational Chart



NVCTB Jurisdictional Map

Below is the updated NVCTB jurisdictional map with the new jurisdiction added (Town of Remington). We have a total of 25 member jurisdictions.



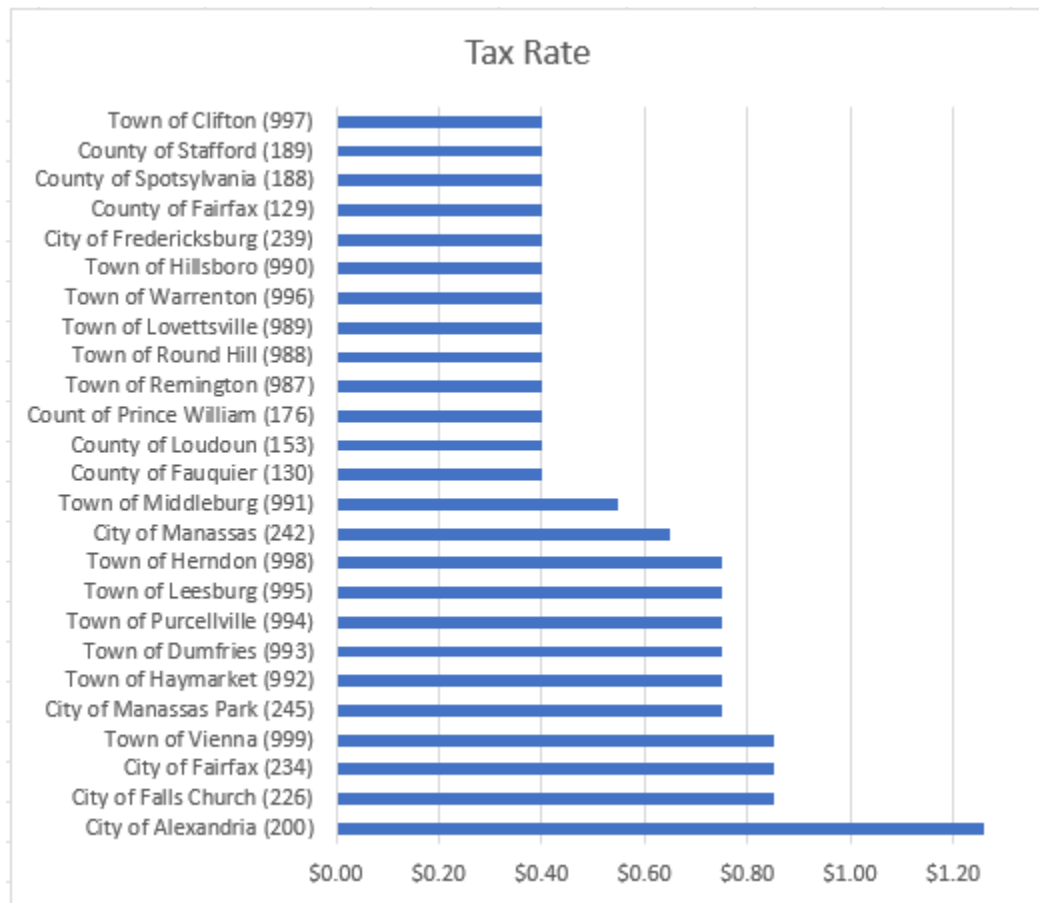
REVENUE OVERVIEW

Tobacco Tax

Line Item	FY20	FY21	FY22	FY23	FY24	FY24	FY25
	Actuals	Actuals	Actuals	Actuals	Estimate	Actuals	Estimate
Cigarette Tax	\$12,774,287	\$11,721,366	\$17,281,700	\$24,109,211	\$22,227,352	\$20,375,382	\$23,292,549
Penalties Collected	\$ 95	\$ 31	\$ 5,493	\$ 21,533	\$ -	\$ 5,952	\$ 5,000
Interest on Investments	\$ 204	\$ 79	\$ 316	\$ 677	\$ 600	\$ 589	\$ 600
Permits	\$ 7,400	\$ 6,700	\$ 8,200	\$ 7,000	\$ 6,600	\$ 7,250	\$ 6,800
Wholesaler Discount	\$ -	\$ -	\$ (323,745)	\$ (481,347)	\$ (444,547)	\$ (406,977)	\$ (465,851)
Totals	\$12,781,987	\$11,728,176	\$16,971,964	\$23,657,074	\$21,790,005	\$19,982,196	\$22,839,098

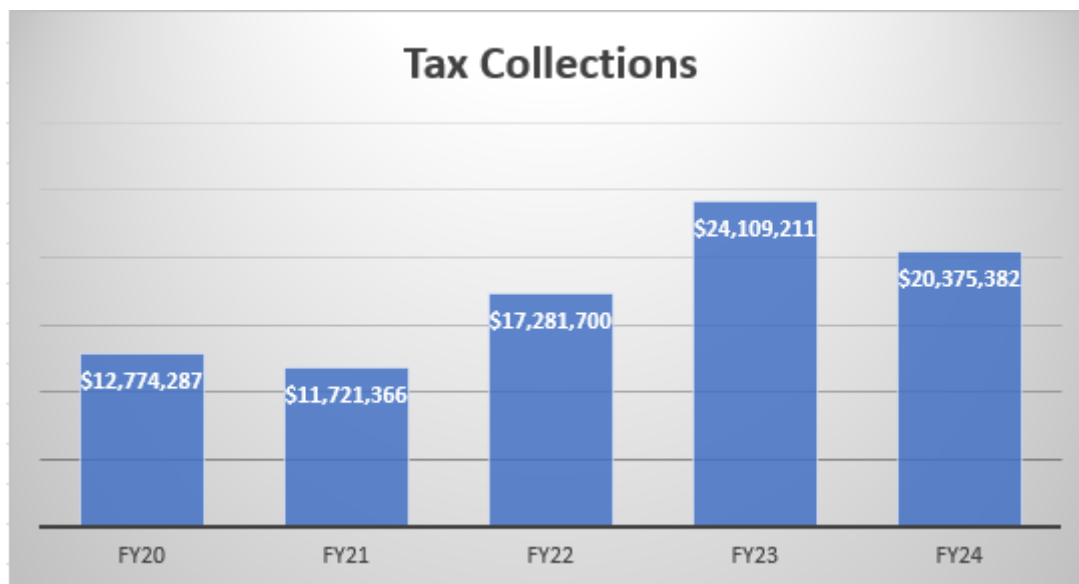
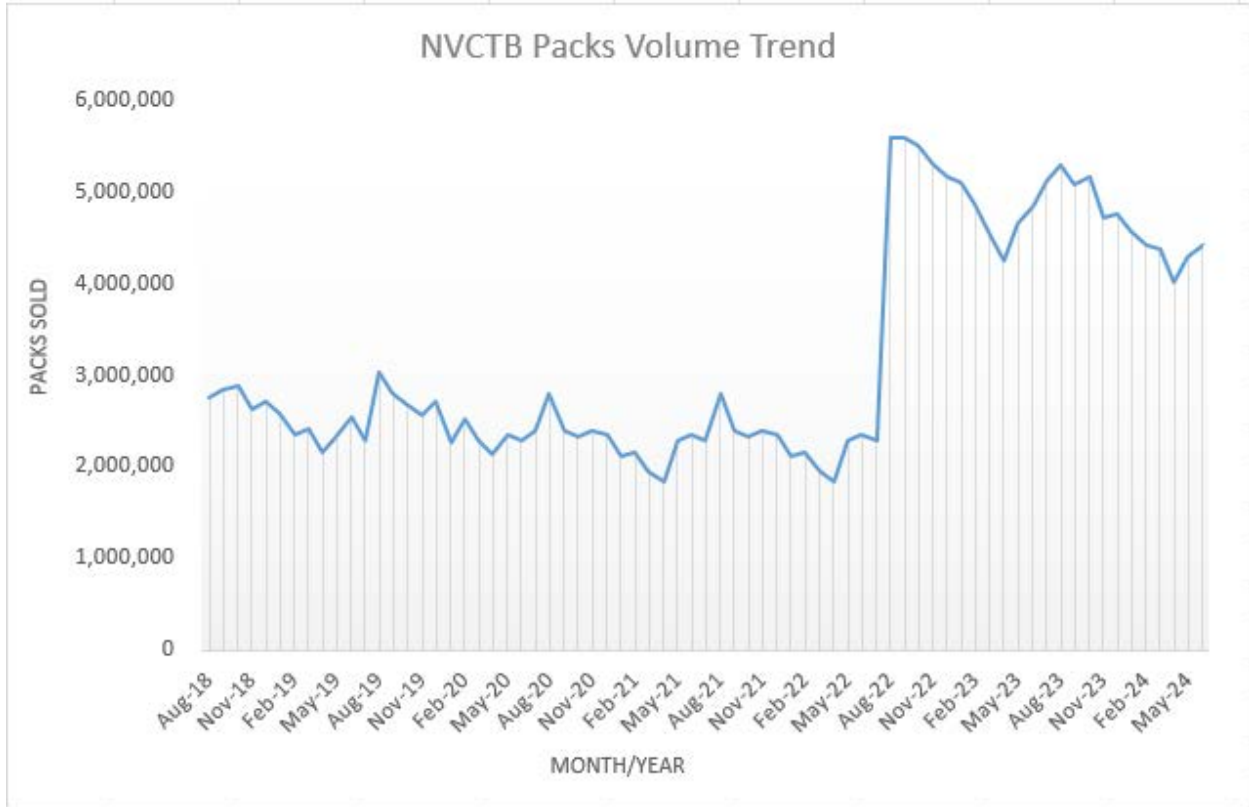
Tobacco tax revenues for the FY25 estimate are projected at \$22,839,098 based on receipts for the first 11 months of the current fiscal year, factoring in the continued downward trend in cigarette sales and increased tax rates in 6 jurisdictions.

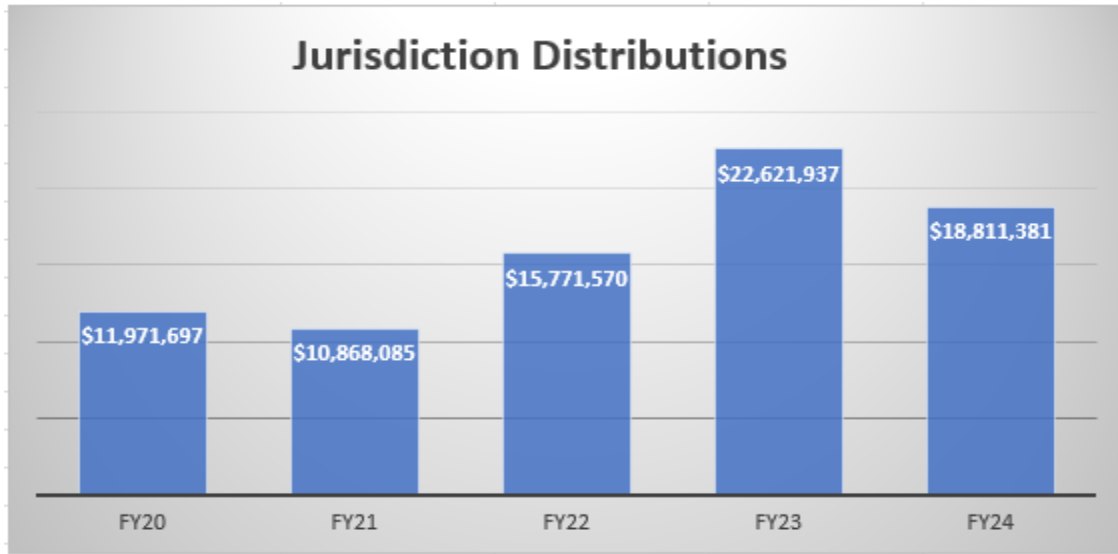
Tobacco Tax Rates



Counties of Fairfax, Stafford, Spotsylvania, City of Fredericksburg, towns of Clifton and Hillsboro increasing their tax rate to \$0.40/pack effective July 1, 2024.

As the following chart illustrates, pack sales volume is trending downward year over year. The increase in tax collections and distributions to jurisdictions since FY22 is due to the addition of 5 new jurisdictions to the NVCTB.





The following is an estimate of the FY25 tax revenue allocation to all member jurisdictions:

Jurisdiction	FY25 Packs	FY25 Taxes	2% Discount	Net Taxes
City of Alexandria	1,538,076	\$1,937,976	(\$38,760)	\$1,899,216
City of Fairfax	583,686	\$496,133	(\$9,923)	\$486,210
City of Falls Church	166,548	\$141,566	(\$2,831)	\$138,734
City of Fredericksburg	1,098,891	\$439,556	(\$8,791)	\$430,765
City of Manassas	631,343	\$410,373	(\$8,207)	\$402,165
City of Manassas Park	265,706	\$199,279	(\$3,986)	\$195,294
County of Fairfax	13,816,521	\$5,526,608	(\$110,532)	\$5,416,076
County Fauquier	1,345,236	\$538,094	(\$10,762)	\$527,332
County of Loudoun	8,801,810	\$3,520,724	(\$70,414)	\$3,450,310
County of Prince William	9,438,086	\$3,775,234	(\$75,505)	\$3,699,730
County of Spotsylvania	5,915,780	\$2,366,312	(\$47,326)	\$2,318,986
County of Stafford	5,332,350	\$2,132,940	(\$42,659)	\$2,090,281
Town of Clifton	3,428	\$1,371	(\$27)	\$1,344
Town of Dumfries	155,761	\$116,820	(\$2,336)	\$114,484
Town of Haymarket	222,166	\$166,624	(\$3,332)	\$163,292
Town of Herndon	207,008	\$155,256	(\$3,105)	\$152,151
Town of Hillsboro	44,238	\$17,695	(\$354)	\$17,341
Town of Leesburg	789,802	\$592,352	(\$11,847)	\$580,505
Town of Lovettsville	72,267	\$28,907	(\$578)	\$28,329
Town of Middleburg	20,351	\$11,193	(\$224)	\$10,969
Town of Purcellville	225,907	\$169,431	(\$3,389)	\$166,042
Town of Remington	73,275	\$29,310	(\$586)	\$28,724
Town of Round Hill	43,570	\$17,428	(\$349)	\$17,079
Town of Vienna	243,563	\$207,029	(\$4,141)	\$202,888
Town of Warrenton	735,844	\$294,338	(\$5,887)	\$288,451
Totals	51,771,213	\$23,292,549	(\$465,851)	\$22,826,698

EXPENDITURE OVERVIEW

The NVCTB proposed expenditures for FY25 are budgeted at \$1,430,700.

Item	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 (Est)	FY24 Actuals	FY25 (Est)
703 • Automobile Expense	\$ 1,052	\$ 6,618	\$ 9,153	\$ 12,000	\$ 6,519	\$ 12,000
704 • Bond & Insurance	\$ 5,669	\$ 8,486	\$ 9,094	\$ 10,500	\$ 10,121	\$ 11,200
705 • Telephone	\$ 8,346	\$ 10,959	\$ 7,135	\$ 9,000	\$ 7,448	\$ 8,000
706 • Employer Life Insurance	\$ 1,121	\$ 1,777	\$ 2,434	\$ 2,700	\$ 2,351	\$ 1,200
707 • Employer Medical Insurance	\$ 62,944	\$ 62,500	\$ 75,051	\$ 97,000	\$ 77,801	\$ 105,000
708 • Employer Retirement	\$ 149,307	\$ 148,976	\$ 158,704	\$ 225,000	\$ 198,318	\$ 238,000
709 • Social Security	\$ 7,219	\$ 9,215	\$ 9,134	\$ 11,000	\$ 8,611	\$ 11,000
710 • Computer Services	\$ 25,250	\$ 30,093	\$ 34,836	\$ 50,000	\$ 29,059	\$ 40,000
711 • Payroll Expenses:709 • Social Security/Medicare	\$ 513,504	\$ 671,642	\$ 648,495	\$ 750,000	\$ 617,895	\$ 750,000
712 • Office Supplies	\$ 2,680	\$ 4,700	\$ 4,167	\$ 5,000	\$ 651	\$ 2,500
713 • Postage	\$ 854	\$ 1,530	\$ 89	\$ 500	\$ 80	\$ 500
714 • Printing	\$ 97	\$ 1,500	\$ 1,101	\$ 2,000	\$ 428	\$ 1,000
715 • Office Equipment	\$ -	\$ 18,591	\$ 9,568	\$ 10,000	\$ 8,373	\$ 10,000
716 • Rent	\$ 50,352	\$ 61,767	\$ 55,946	\$ 114,000	\$ 101,726	\$ 117,000
717 • Professional Services	\$ 13,538	\$ 26,792	\$ 8,875	\$ 15,000	\$ 9,877	\$ 15,000
718 • Stamps	\$ 12,210	\$ 46,023	\$ 18,075	\$ 25,000	\$ 33,773	\$ 30,000
719 • Disability	\$ 2,217	\$ 3,028	\$ 3,529	\$ 4,000	\$ 3,708	\$ 5,700
720 • Travel	\$ -	\$ -	\$ 3,944	\$ 9,000	\$ 1,331	\$ 4,500
721 • Unemployment Insurance	\$ 132	\$ 3,907	\$ 2,079	\$ 200	\$ 56	\$ 100
722 • Miscellaneous	\$ 600	\$ (14,514)	\$ 4,631	\$ 10,000	\$ 4,210	\$ 10,000
724 • Retirement Plan Maintenance	\$ -	\$ 11,218	\$ 5,359	\$ 3,000	\$ 327	\$ 2,000
725 • Office Equip maint/Rep	\$ -	\$ 220	\$ 722	\$ 1,000	\$ 743	\$ 1,000
726 •Purchase Tax Board Vehicle	\$ -	\$ 73,118	\$ 31,901	\$ -	\$ -	\$ -
727 • Reserve-Vehicle Repair/Replace	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,170	\$ 5,000
728 • Computer System Development	\$ -	\$ -	\$ -	\$ 35,000	\$ 32,326	\$ 35,000
729 • Training and Development	\$ -	\$ 4,330	\$ 7,538	\$ 10,000	\$ 6,744	\$ 10,000
730 • Legal Services	\$ -	\$ 3,000	\$ 5,000	\$ 5,000	\$ 4,170	\$ 5,000
Miscellaneous Receipts Uncollectable	\$ -	\$ -	\$ 13,578	\$ -	\$ -	\$ -
Totals	\$ 860,091	\$ 1,200,473	\$ 1,135,137	\$ 1,420,900	\$1,170,815	\$ 1,430,700

The NVCTB Agreement signed by all jurisdictions requires total expenses not to exceed 6% of total revenues. The Board may authorize an increase in expenses not to exceed 1% of the total revenues for that year. The table below shows the FY25 expenditures set to the required 6%.

Category	FY20	FY21	FY22	FY23	FY24 (Est.)	FY24 (Act.)	FY25 (Est.)
Revenue	\$ 12,781,987	\$ 11,728,176	\$ 16,971,964	\$ 23,657,074	\$ 21,790,005	\$ 19,982,196	\$ 22,839,098
Expenditures	\$ 810,289	\$ 860,091	\$ 1,200,473	\$ 1,135,137	\$ 1,267,989	\$ 1,170,815	\$ 1,430,700
% Expend	6%	7%	7%	5%	6%	6%	6%

The following is an estimate of the FY25 expenditures allocated to all member jurisdictions:

Jurisdiction	Pack Sales	Packs Ratio	Expense
City of Alexandria	1,538,076	2.9709%	\$ 42,505
City of Fairfax	583,686	1.1274%	\$ 16,130
City of Falls Church	166,548	0.3217%	\$ 4,603
City of Fredericksburg	1,098,891	2.1226%	\$ 30,368
City of Manassas	631,343	1.2195%	\$ 17,447
City of Manassas Park	265,706	0.5132%	\$ 7,343
County of Fairfax	13,816,521	26.6877%	\$ 381,820
County of Fauquier	1,345,236	2.5984%	\$ 37,176
County of Loudoun	8,801,810	17.0014%	\$ 243,238
County of Prince William	9,438,086	18.2304%	\$ 260,822
County of Spotsylvania	5,915,780	11.4268%	\$ 163,483
County of Stafford	5,332,350	10.2998%	\$ 147,360
Town of Clifton	3,428	0.0066%	\$ 95
Town of Dumfries	155,761	0.3009%	\$ 4,304
Town of Haymarket	222,166	0.4291%	\$ 6,140
Town of Herndon	207,008	0.3999%	\$ 5,721
Town of Hillsboro	44,238	0.0854%	\$ 1,223
Town of Leesburg	789,802	1.5256%	\$ 21,826
Town of Lovettsville	72,267	0.1396%	\$ 1,997
Town of Middleburg	20,351	0.0393%	\$ 562
Town of Purcellville	225,907	0.4364%	\$ 6,243
Town of Remington	73,275	0.1415%	\$ 2,025
Town of Round Hill	43,570	0.0842%	\$ 1,204
Town of Vienna	243,563	0.4705%	\$ 6,731
Town of Warrenton	735,844	1.4213%	\$ 20,335
Totals	51,771,213	100.0000%	\$ 1,430,700

In order to ensure that the expenditure does not exceed the required 6%, any additional expenditures associated with the modernization of the cigarette tax system will be paid using seized cigarette funds.