



# 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.

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## MEMORANDUM

TO: Members of the Northern Virginia Cigarette Tax Board (NVCTB)  
FROM: Juan Rengel, Administrator  
DATE: May 29, 2025  
SUBJECT: Draft Board Meeting Agenda and Meeting Materials

Dear members:

We are looking forward to our first bi-annual meeting of 2025! The meeting will be at 11:am on June 5, 2025, 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 7, 2024 Board Meeting;
3. Town of Occoquan Request to join the NVCTB;
4. Change to the NVCTB Pension Plan & Trust Agreement-Plan #001;
5. Change to the NVCTB Agreement
6. FY2026 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](mailto:jrengel@nvctb.org).

## **AGENDA**

Northern Virginia Cigarette Tax Board (NVCTB)

Board Meeting: June 5th, 2025, 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: 220 437 219 10

Passcode: 3WkeUV

Or call in (audio only)

+1 571-786-9500

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 ([jrengel@nvctb.org](mailto:jrengel@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. Members of the public who wish to send comments may do so by email to the Administrator at [jrengel@nvctb.org](mailto:jrengel@nvctb.org) no later than 24 hours prior to the meeting.
4. Members of the public who wish to address the Board should give prior notice by contacting the Administrator at least 24 hours before the meeting at [jrengel@nvctb.org](mailto:jrengel@nvctb.org).
5. 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 7, 2024 (Chair)
  - c. Public Comment Period (Chair)
  - d. NVCTB Officers Reports (Chair, Vice-Chair, Secretary)
- IV. **Regulatory Items**
  - a. Town of Occoquan Request to Join the NVCTB
  - b. Change to the NVCTB Pension Plan & Trust Agreement-Plan #001 (Administrator)
  - c. Change to the NVCTB Agreement

- |              |   |                 |
|--------------|---|-----------------|
| <b>V.</b>    | <b>FY2026 NVCTB Proposed Budget</b>   | (Administrator) |
| <b>VI.</b>   | <b>Appointment of NVCTB Officers for FY26 (July 1, 2025-June 30, 2026).</b> | (Chair)         |
| <b>VII.</b>  | <b>EXECUTIVE SESSION</b>  | (Secretary)     |
| <b>VIII.</b> | <b>RECONVENE TO OPEN SESSION</b>  | (Secretary)     |
| <b>IX.</b>   | <b>ADJOURNMENT</b>  | (Chair)         |

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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](mailto: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 7, 2024

MEMBERS PRESENT:

P. Johnson, City of Fairfax  
K. Greenlief, City of Alexandria  
T. Clinton, City of Falls Church  
T. Martin, City of Manassas  
Y. Tarry, Fairfax County  
E. Maybach, Fauquier County  
S. Allshouse, Loudoun County  
R. Lamb, Prince William County  
J. Elliott, Spotsylvania County  
M. Sloan, Town of Herndon  
E. Windley, Town of Leesburg  
C. LeMarr, Town of Purcellville  
R. Brinson, Town of Reminton  
M. Serfass, Town of Vienna

ALSO PRESENT:

J. Rengel, Administrator  
J. Zottig, Deputy Administrator-Finance  
D. Johnson, Staff  
T. Webber, Staff  
K. Hampton, Staff  
A. DeFelice, Staff  
N. Robles, Staff  
O. Snyder, Town of Leesburg  
M. Aukamp, Auditor, Dunham, Aukamp  
& Rhodes PLC

Call to Order:

The meeting commenced at 11:00 A.M. with a Roll Call of each Jurisdiction by Mr. K. Greenlief, 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. Ms. E. Windley made the motion for adopting the agenda and was seconded by Mr. E. Maybach.

II. Approval of the Minutes:

Mr. P. Johnson requested a motion to review the minutes of the June 6, 2024, meeting and to dispense with the reading of the minutes. With no corrections or additions noted, Mr. K. Greenlief made the motion for adopting the minutes as recorded and was seconded by Ms. E. Windley. The motion passed unanimously.

III. Petitions / Communications from Public:

Mr. P. Johnson opened the floor for any members of the public who would like to speak. Mr. J. Rengel confirmed for Mr. P. Johnson that no requests from the public were received.

IV. Officers Reports:

Mr. P. Johnson, Chairman, had no report.

Mr. G. Bruch, Vice-Chairman, absent.

Mr. K. Greenlief, Secretary/Treasurer, had no report.

V. Review of the FY24 Draft Audit:

Mr. J. Rengel introduced Mr. Michael Aukamp with Dunham, Aukamp & Rhodes to present the Draft Audit Report. Mr. Aukamp began his presentation by sharing it was a pleasure to be working with the Board again for this year's Audit and that for independence the Firm switched out partners, with this being his second year back in charge of the Audit. Further stating there were no management disagreements or accounting issues noted and also extending thanks to NVCTB staff for their responsiveness for providing all requested schedules. Overall, the Audit went smoothly with no proposed journal entries, which says that the accounting systems are working effectively and efficiently, with the Board receiving timely and accurate information throughout the year.

Mr. Aukamp discussed the independent audit report and briefly highlighted sections of the report with required disclosures. This is a clean report with no issues and no changes necessary to the financial statements as applied to reporting standards for governmental organizations or issues of a compliance nature as applied to Reserve Funds. Mr. Aukamp continued his presentation by touching on revenue trends, variances of actual versus budgeted expenditures and advising certain unbudgeted items paid out of Reserves or timing of expenditures as an explanation for some variances. Mr. P. Johnson had one question regarding the increase in the retirement contribution is reflection of additional staff and was confirmed by Mr. Aukamp. With no further 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, 2024, as written. Ms. E. Windley made the motion to accept, with second by Mr. E. Maybach and was unanimously approved. Mr. M. Aukamp advised he would forward the final representation letter and exited the meeting. Mr. J. Rengel confirmed that all members would receive a copy of the final document.

VI. Administrator Updates:

Mr. J. Rengel advised that an overview document for the first quarter was previously provided in October to all members and requested any feedback from the Board to make a more useful document. Ms. E. Windley noted in the report a seizure for her locality and inquired if there is notification provided at the time of the seizure. Mr. J. Rengel advised typically no, but would be available to review after the meeting. With no additional items pertaining to the quarterly summary, Mr. J. Rengel recognized Mr. Owen Snyder with the Town of Leesburg as a guest today and thanked him for attending. Also noted that a new representative, Mr. Stephen Barlow, will be representing the Town of Vienna as a replacement for Ms. M. Serfass who is retiring.

Next item is the next General Assembly legislative session commencing January 8th. From a cigarette standpoint, there is HB 1099 that passed last year with an update to definition. There is more legislation related to liquid nicotine and heated tobacco coming, so will continue to keep the Board informed as learns more. The Chairman had contacted BACO and BML about including the local jurisdictions; how the definitions only effect the state and do not trickle down to the localities, therefore we are unable to tax these products. Mr. P. Johnson commented that he did reach out to BML and BACO, on behalf of the Board, for an opportunity for the localities to be included and they understood the nature of the declining revenue stream, so if an opportunity presents, we will try to secure taxation at the local level.

The final update is regarding Floor Tax; the inventory filing is coming due December 31. For those Retailers that do not file, plan is to provide a Statutory Assessment invoice, based on 50% of average store sales, with taxes due on that inventory for a fair assessment. NVCTB has received a 41% response and approximately \$58,900 in revenue from the Floor Tax to date.

VII. Executive Session:

There were no items to discuss in Executive Session.

VIII. Adjournment:

Mr. P. Johnson thanked everyone for their participation and requested a motion to adjourn. Mr. K. Greenlief made the motion to adjourn and was seconded by Mr. E. Maybach. The motion was carried unanimously and the meeting adjourned at 11:25 A.M.

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William Page Johnson, II  
Chairman of the Board



# TOWN OF OCCOQUAN

*Circa 1734 • Chartered 1804 • Incorporated 1874*  
314 Mill Street • PO Box 195 • Occoquan, Virginia 22125  
(703) 491-1918 • Fax (571) 398-5016 • [info@occoquanva.gov](mailto:info@occoquanva.gov)  
[www.occoquanva.gov](http://www.occoquanva.gov)

**TOWN COUNCIL**  
Earnest W. Porta, Jr., Mayor  
Jenn Loges, Vice Mayor  
Cindy Fithian  
Eliot Perkins  
Nancy Freeborne Brinton  
Theo Daubresse

**TOWN MANAGER /  
CHIEF OF POLICE**  
Adam C. Linn, J.D.

April 22, 2025

Northern Virginia Cigarette Tax Board  
Attn.: Juan R. Rengel, Administrator  
14150 Newbrook Dr., Suite 210  
Chantilly, VA 20151

Re: Request to Join the NVCTB

Dear Mr. Rengel:

The Town of Occoquan is requesting to be considered for membership in the Northern Virginia Cigarette Tax Board at the June 5, 2025 meeting. In accordance with your instructions, please accept the following in support of our request to join:

1. Attached please find Town of Occoquan draft ordinance #O-2025-XX imposing a tax on the sale, use, or distribution of cigarettes in Town and participation in the NVCTB. This ordinance is set to be adopted on May 20, 2025.
2. Town Manager Adam Linn will be the Town's representative at all Board Meetings. Contact information: phone (703) 491-1918 / email [alinn@occoquanva.gov](mailto:alinn@occoquanva.gov)
3. The Town Manager and Town Treasurer will need to receive the monthly cigarette tax distribution report. Please email those reports to: [townmanager@occoquanva.gov](mailto:townmanager@occoquanva.gov) and [treasurer@occoquanva.gov](mailto:treasurer@occoquanva.gov).
4. Banking Information for the Town of Occoquan is as follows: United Bank, Routing 056004445 / Checking Account Number xx0058.
5. The Town's business license information link can be found at: <https://www.occoquanva.gov/business/doing-business-in-occoquan/>
6. The Town has reviewed the Northern Virginia Cigarette Tax Agreement and agrees to the said agreement. We will execute the appropriate signature line upon receipt.

Please let me know if you have any questions or need any further information.

Sincerely,

Adam C. Linn, J.D., VCLEE-CEO  
Town Manager / Chief of Police



NORTHERN VIRGINIA CIGARETTE TAX BOARD

Chantilly, Virginia

EXTRACT from MINUTES  
of  
MEETING of BOARD  
Containing  
FOURTH 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 5, 2025, 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 three 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, 2025, in the following respects:

### 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, 2025, subject to the provisions of Section 4.01, the Employer shall contribute for each pay period an amount equal to thirty-three and seventy-one one hundredths percent (33.71%) of the Compensation paid to each Participant for that pay period.”

### ARTICLE VIII

Section 8.03 – Amended by striking the first paragraph and substituting in lieu thereof the following new first paragraph:

“A Participant who has (a) attained his fifty-fifth (55<sup>th</sup>) birthday and who has completed at least five (5) Years of Credited Service, or (b) attained his fiftieth (50<sup>th</sup>) birthday and who has completed at least ten (10) Years of Credited Service, may retire on any date earlier than his Normal Retirement Date.”

### IN GENERAL

Any provision of the aforesaid revised Agreement, as amended, inconsistent with the foregoing changes 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 changes made in the Plan by the foregoing Resolution.

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Chairperson

**NORTHERN VIRGINIA CIGARETTE TAX AGREEMENT**

THIS AGREEMENT, is entered into and dated as of the latest execution and acknowledgment by any party hereto, by and between

- (1) City of Alexandria, Virginia;
- (2) City of Fairfax, Virginia;
- (3) City of Falls Church, Virginia;
- (4) City of Fredericksburg, Virginia;
- (5) City of Manassas, Virginia;
- (6) City of Manassas Park, Virginia;
- (7) County of Fairfax, Virginia;
- (8) County of Fauquier, Virginia;
- (9) County of Loudoun, Virginia;
- (10) County of Prince William, Virginia;
- (11) County of Spotsylvania, Virginia;
- (12) County of Stafford, Virginia;
- (13) Town of Clifton, Virginia;
- (14) Town of Dumfries, Virginia;
- (15) Town of Haymarket, Virginia;
- (16) Town of Herndon, Virginia;
- (17) Town of Hillsboro, Virginia;
- (18) Town of Leesburg, Virginia;
- (19) Town of Lovettsville, Virginia;
- (20) Town of Middleburg, Virginia;
- (21) Town of Occoquan, Virginia;
- (22) Town of Purcellville, Virginia;
- (23) Town of Remington, Virginia;
- (24) Town of Round Hill, Virginia;
- (25) Town of Vienna, Virginia;
- (26) Town of Warrenton, Virginia;

or any two or more of the foregoing;

WHEREAS, the parties hereto desire to enter an Agreement for the purpose of the reestablishment of the Northern Virginia Cigarette Tax Board for the joint administration, collection and enforcement of their respective Cigarette Tax Ordinances pursuant to the provisions of these ordinances and Section 15.2-1300 and 58.1-3832, *et seq.*, of the Code of Virginia, (1950), as amended;

NOW THEREFORE, the parties enter into the following agreement, which hereby revokes and replaces any prior similar agreements between or among the parties.

1. **NAME AND DURATION**

The Board shall be called the Northern Virginia Cigarette Tax Board. Its duration shall be perpetual, subject to the provisions of Paragraph 8 hereof.

2. **MEMBERSHIP AND VOTING POWERS**

The Board shall be composed of one representative from each jurisdiction hereinbefore named or later added with consent of the Northern Virginia Cigarette Tax Board. Said representative may designate an alternate to attend meetings and vote in his or her place; however, each jurisdiction shall be entitled to only one vote. Seven members of the Board must be present at a meeting to constitute a quorum, and the vote of a majority of the quorum is necessary for any action taken. Regular attendance at Board meetings by a jurisdiction's representative or alternate is a requirement for continued membership in the Board. If a jurisdiction's representative or alternate fails to attend three consecutive meetings it may lead to a vote to remove that member jurisdiction for violation of this requirement in accordance with section 9 of this Agreement.

3. **OFFICERS AND MEETINGS**

Each year, the Board shall elect a Chairman, Vice-Chairman and Secretary/Treasurer, who shall serve at the pleasure of the Board. The Officers of the Board shall be chosen from the jurisdictional representatives. Said officers shall be empowered to sign in the name of the Board on all legal documents, including bank deposits and withdrawals. The Board shall meet from time to time as deemed necessary by the Chairman.

4. **POWERS OF THE BOARD**

The Board shall be delegated the following powers:

- a. Assessment, collection and disbursement of the cigarette tax for each participating jurisdiction;
- b. Audit of the sale or use of cigarettes within each participating jurisdiction;
- c. Provision of information for criminal prosecution by the affected participating jurisdictions;
- d. Designation of an Administrator;
- e. Management of a general operating fund to ensure proper funding of Board operations on an ongoing basis;
- f. Employment of an Auditor;
- g. Designation of a depository bank or banks;
- h. Contracting with a member jurisdiction for provision of administrative services;
- i. To hold and convey personal property. The Board shall have no power to hold or convey real property;
- j. To enter into contracts;

- k. To hire, supervise and discharge its own employees;
- l. To contract for benefits for Board Employees; and
- m. Any other powers granted to the Board by the respective local ordinances and the Code of Virginia (1950), as amended.

5. **LIABILITY INSURANCE**

The Board shall maintain and have authority to secure insurance coverage as deemed appropriate. General liability insurance shall be maintained through a commercial policy, in limits of not less than \$1,000,000. Any liability in excess of the amounts of insurance coverage will be shared by the members of the Board proportionately based upon each jurisdiction's share of the number of taxable packs of cigarettes reported in the twelve (12) months preceding the incident which gave rise to the liability, as compared to the taxable packs of cigarettes reported during that same time period in all the participating jurisdictions.

6. **ADMINISTRATOR**

Normal routine duties of the Board in administration and supervision of the Cigarette Tax Ordinances shall be delegated to an Administrator, who shall be appointed by the Board to serve at the will of the Board under such terms and conditions as it deems appropriate. Actions and decisions of the Administrator shall bind the Board unless patently wrongful or the result of willful misconduct, but the Board may at anytime overrule a decision or action by the Administrator subject to lawful rights of third parties.

The duties of the Administrator shall include, but are not limited to, the following:

- a. Preparation of annual administrative cost estimates;

- b. As authorized by the Board, employment of or contracting for staff assistance, equipment and supplies; providing employee benefits; and the establishment and administration of a retirement system covering officers and employees of the Board not covered by the retirement systems of participating jurisdictions or the Commonwealth of Virginia;
- c. Preparation of reports as the Board may require;
- d. Authorization of disbursements from Board accounts including, but not limited to, disbursements to the participating jurisdictions.

7. **COLLECTION OF THE CIGARETTE TAX**

The cigarette tax shall be assessed and collected on the basis of the "reporting method" according to the respective ordinances and according to the rules, regulations and procedures adopted by the Board.

8. **DISBURSEMENT OF RECEIPTS, MANAGEMENT OF FUNDS**

a. Disbursements shall be made to each participating jurisdiction on a monthly basis. Prior to disbursement to jurisdictions, expenses for the month shall be deducted from total revenues and allocated to the jurisdictions proportionately based upon the number of taxable packs of cigarettes reported within the jurisdiction during the month as compared to the total number of taxable packs of cigarettes reported in all the participating jurisdictions. The disbursement to each participating jurisdiction shall be determined by the tax rate of the jurisdiction multiplied by the taxable packs of cigarettes reported within the jurisdiction, plus interest and penalties, plus the jurisdiction's proportional share of all other revenues, less discounts and proportional expenses.

b. Total expenses for the fiscal year shall not exceed seven (7) percent of total Board revenues for that year. The Board may authorize an increase in expenses not to exceed an amount greater than an additional one (1) percent of the total Board revenues for that year. The Board shall maintain an operating fund of \$25,000.00.

c. All monies shall be deposited in the name of the Northern Virginia Cigarette Tax Board. All checks drawn on Board accounts shall require signature by the Administrator and one Board Officer.

9. **TERMINATION**

a. In the event any participating jurisdiction decides, by ordinance, to terminate its participation in the Board, notice to the Board shall be given sixty (60) days prior to its date of termination. The terminating jurisdiction shall receive within thirty (30) days of its date of termination its share of total revenues less proportionate expenses, operating fund, and depreciated value of physical property used by the Board. The representative of such terminating jurisdiction shall not serve on the Board beyond the termination date.

b. In the event a member jurisdiction fails to provide a representative or an alternate at three consecutive Board meetings, the Board may, terminate that jurisdiction's membership in the Board. If the Board votes to terminate a jurisdiction's membership in the Board, then the termination will be effective on the date of the vote, unless some other date is chosen in the vote as the effective date of termination. The effective date of termination is referred to as the "termination date." The jurisdiction whose membership is terminated shall receive, within thirty (30) days of the termination date, its share of total revenues less proportionate expenses. The representative of any jurisdiction whose membership is terminated may not



serve on the Board beyond the termination date.

c. In the event the number of jurisdictions which desire to continue to participate in the Board is less than two (2) in number, the Board shall be dissolved and shall cease to exist. In such event, the Board shall liquidate all assets and disburse to each jurisdiction participating at the time each such jurisdiction's share of the liquidated assets and all proceeds and monies held. Such distribution shall be based upon each jurisdiction's proportionate share of the number of taxable packs of cigarettes reported in the preceding twelve (12) months as compared to the taxable packs of cigarettes reported during that same time period in all the jurisdictions participating in the Board at the time the Board is dissolved.

10. **IMPLEMENTATION**

Each jurisdiction shall by ordinance signify its desire to be a member of the Board and its acceptance of the provisions of this Agreement.

This Agreement shall take effect upon the signature of the proper officials of any two (2) of the jurisdictions below and shall take effect as to any other jurisdiction upon signature of the proper official of such jurisdiction.

**NORTHERN VIRGINIA CIGARETTE TAX BOARD AGREEMENT**

**SIGNATURE PAGE**

**City of Alexandria, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**City of Fairfax, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**City of Falls Church, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**City of Fredericksburg, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**City of Manassas, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**City of Manassas Park, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Fairfax, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Fauquier, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Loudoun, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Prince William, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Spotsylvania, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**County of Stafford, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Clifton, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Dumfries, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Haymarket, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Herndon, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Hillsboro, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Leesburg, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Lovettsville, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Middleburg, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Occoquan, Virginia****By:** \_\_\_\_\_\_\_\_\_\_  
**Date**\_\_\_\_\_  
**Printed Name**\_\_\_\_\_  
**Title****Town of Purcellville, Virginia****By:** \_\_\_\_\_\_\_\_\_\_  
**Date**\_\_\_\_\_  
**Printed Name**\_\_\_\_\_  
**Title****Town of Remington, Virginia****By:** \_\_\_\_\_\_\_\_\_\_  
**Date**\_\_\_\_\_  
**Printed Name**\_\_\_\_\_  
**Title****Town of Round Hill, Virginia****By:** \_\_\_\_\_\_\_\_\_\_  
**Date**\_\_\_\_\_  
**Printed Name**\_\_\_\_\_  
**Title**

**Town of Vienna, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

**Town of Warrenton, Virginia**

**By:** \_\_\_\_\_

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**



# **NORTHERN VIRGINIA CIGARETTE TAX BOARD**

## **FY 2026 BUDGET PRESENTATION**



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

**Juan Rengel  
Administrator**

## BUDGET HIGHLIGHTS

- Revenue - \$19,618,939 ( 6.55% ↓ over FY25)

Fiscal Year	Revenue		Expenditures	
	Amount	Change YOY	Amount	Change YOY
FY-2023	\$23,657,074		\$1,382,200	
FY-2024	\$21,743,981	-8.09%	\$1,420,900	2.80%
FY-2025 (Est.)	\$20,994,000	-3.45%	\$1,430,700	0.69%
FY-2026 (Est.)	\$19,618,939	-6.55%	\$1,376,900	-3.76%

Revenue has been trending down, and we anticipate a downward trend to continue in FY26.

- Expenditure - \$1,376,900 (3.76% ↓ over FY25).

Fiscal Year	Expenditures	
	Amount	Change YOY
FY-2023	\$1,382,200	
FY-2024	\$1,420,900	2.80%
FY-2025	\$1,430,700	0.69%
FY-2026	\$1,376,900	-3.76%

The FY26 budget includes the following:

- 2% pay increase for all employees effective January 1, 2026.
- Increase in the retirement contribution from 33.46% to 33.71%.
- Reduction in the NVCTB health insurance contribution.
- Elimination of the vacant Revenue Agent I position.

Even though overall operating costs have been reduced for FY26, the following are the expense categories that are increasing:

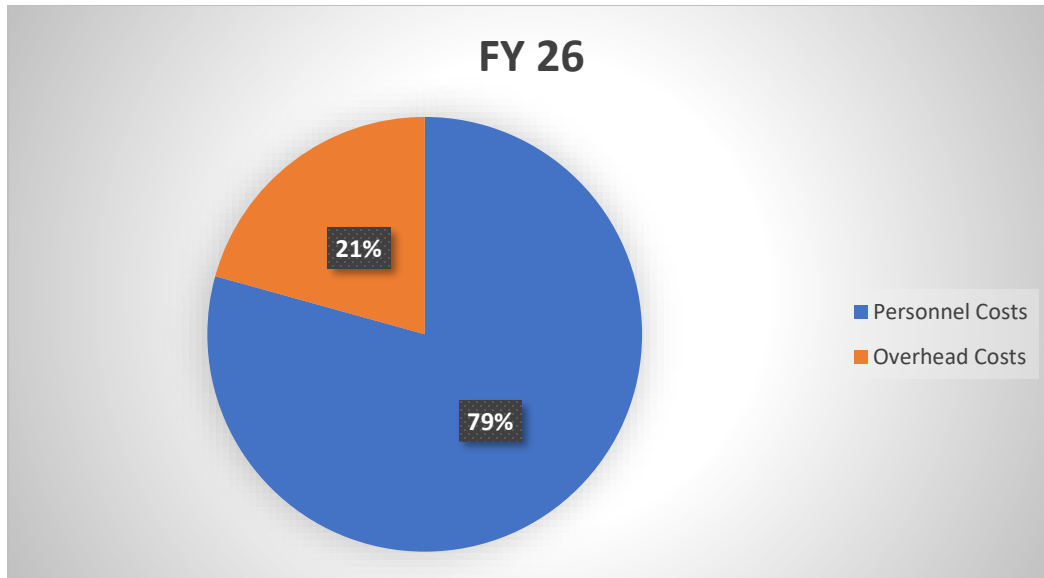
Exp Line Item	FY-2023	FY-2024	FY-2025	FY-2026
Bond & Insurance	\$10,000	\$10,500	\$11,200	\$12,075
Retirement	\$189,000	\$225,000	\$238,000	\$246,100
Rent	\$65,000	\$114,000	\$117,000	\$128,250
<b>Total</b>	<b>\$264,000</b>	<b>\$349,500</b>	<b>\$366,200</b>	<b>\$386,425</b>
<b>Change YOY</b>		<b>24.46%</b>	<b>4.56%</b>	<b>5.23%</b>

To offset some of the increases, the FY26 budget includes reductions in the following categories:

Exp Line Item	FY-2023	FY-2024	FY-2025	FY-2026
Automobile	\$10,000	\$12,000	\$12,000	\$8,000
Telephone	\$9,500	\$9,000	\$8,000	\$6,300
Life Insurance	\$2,700	\$2,700	\$1,200	\$1,100
Medical Insurance	\$80,000	\$97,000	\$105,000	\$92,000
Social Security	\$11,600	\$11,000	\$11,000	\$10,750
Computer Services	\$35,000	\$50,000	\$40,000	\$37,000
Payroll	\$795,000	\$750,000	\$750,000	\$732,700
Office Supplies	\$5,000	\$5,000	\$2,500	\$1,250
Postage	\$3,000	\$500	\$500	\$250
Printing	\$1,000	\$2,000	\$1,000	\$500
Office Equipment	\$29,500	\$10,000	\$10,000	\$6,000
Professional Serv	\$10,000	\$15,000	\$15,000	\$12,000
Disability	\$4,000	\$4,000	\$5,700	\$5,550
Travel	\$5,250	\$9,000	\$4,500	\$2,000
Unemployment Ins	\$5,000	\$200	\$100	\$75
Miscellaneous	\$5,000	\$10,000	\$10,000	\$5,000
Office Equip Maint	\$750	\$1,000	\$1,000	\$500
Vehicle Purchase	\$35,000	\$0	\$0	\$0
Computer System	\$0	\$35,000	\$35,000	\$30,000
Training/Develop	\$5,000	\$10,000	\$10,000	\$2,500
Legal Services	\$5,000	\$5,000	\$5,000	\$0
<b>Total</b>	<b>\$1,057,300</b>	<b>\$1,038,400</b>	<b>\$1,027,500</b>	<b>\$953,475</b>
<b>Change YOY</b>		<b>-1.82%</b>	<b>-1.06%</b>	<b>-7.76%</b>

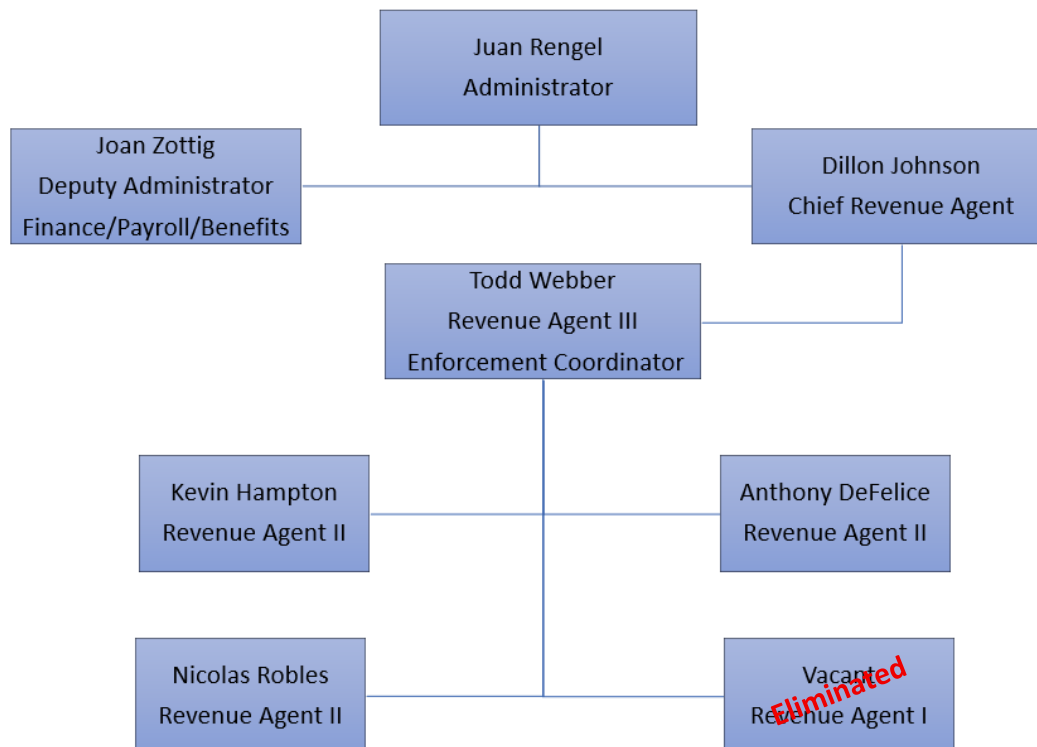
The following categories will remain unchanged for FY26:

Exp Line Item	FY-2023	FY-2024	FY-2025	FY-2026
Tax Stamps	\$49,900	\$25,000	\$30,000	\$30,000
Ret. Plan Maint.	\$6,000	\$3,000	\$2,000	\$2,000
Res for Veh Repair	\$5,000	\$5,000	\$5,000	\$5,000
<b>Total</b>	<b>\$60,900</b>	<b>\$33,000</b>	<b>\$37,000</b>	<b>\$37,000</b>
<b>Change YOY</b>		<b>-84.55%</b>	<b>10.81%</b>	<b>0.00%</b>



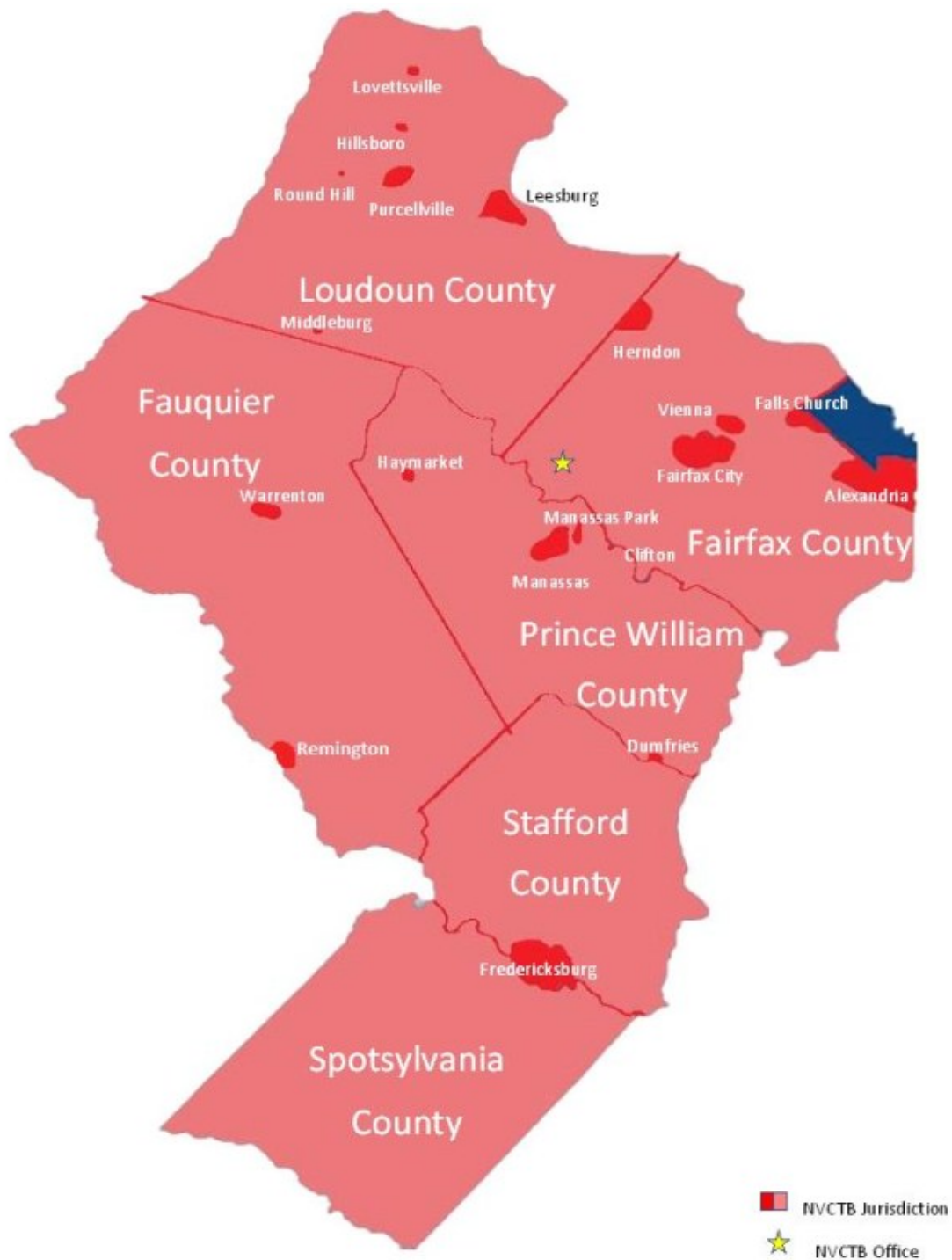
### Organizational Chart

NORTHERN VIRGINIA CIGARETTE TAX BOARD (NVCTB) – ORGANIZATIONAL CHART



### NVCTB Jurisdictional Map

Below is the current NVCTB jurisdictional map. We have a total of 25 member jurisdictions.



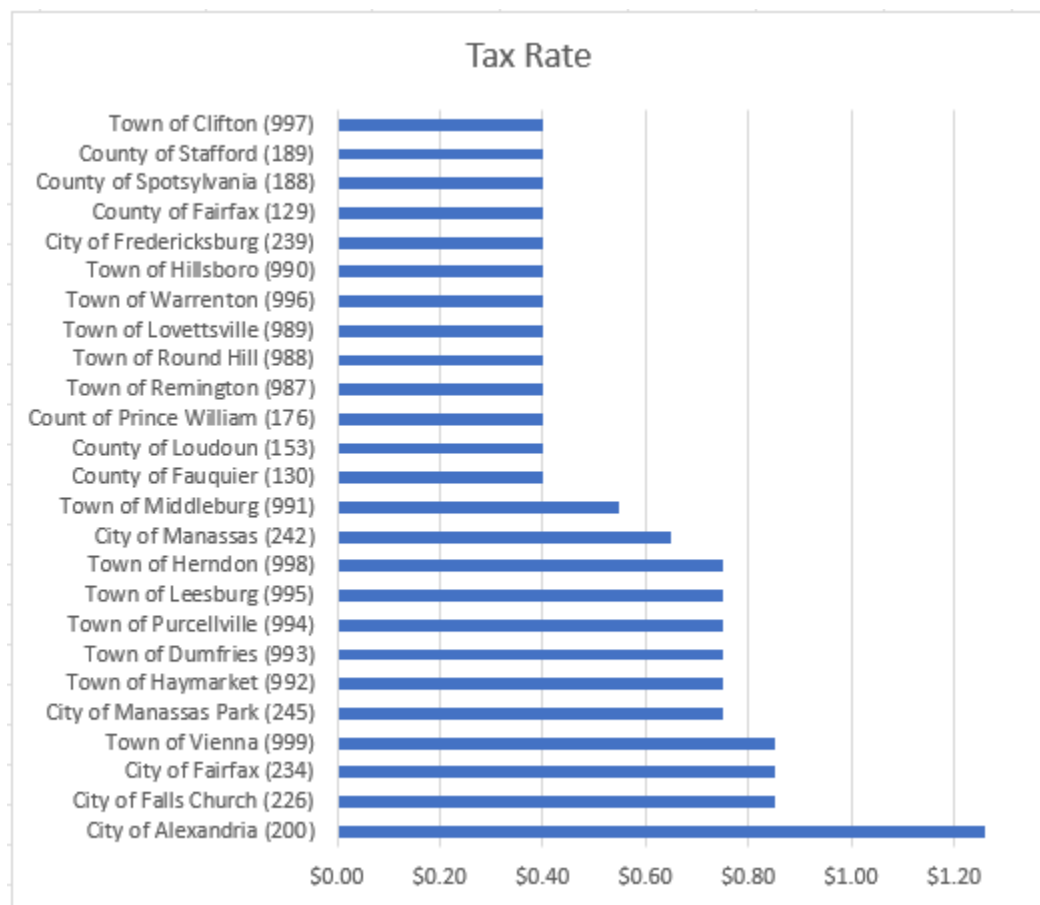
## REVENUE OVERVIEW

### Tobacco Tax

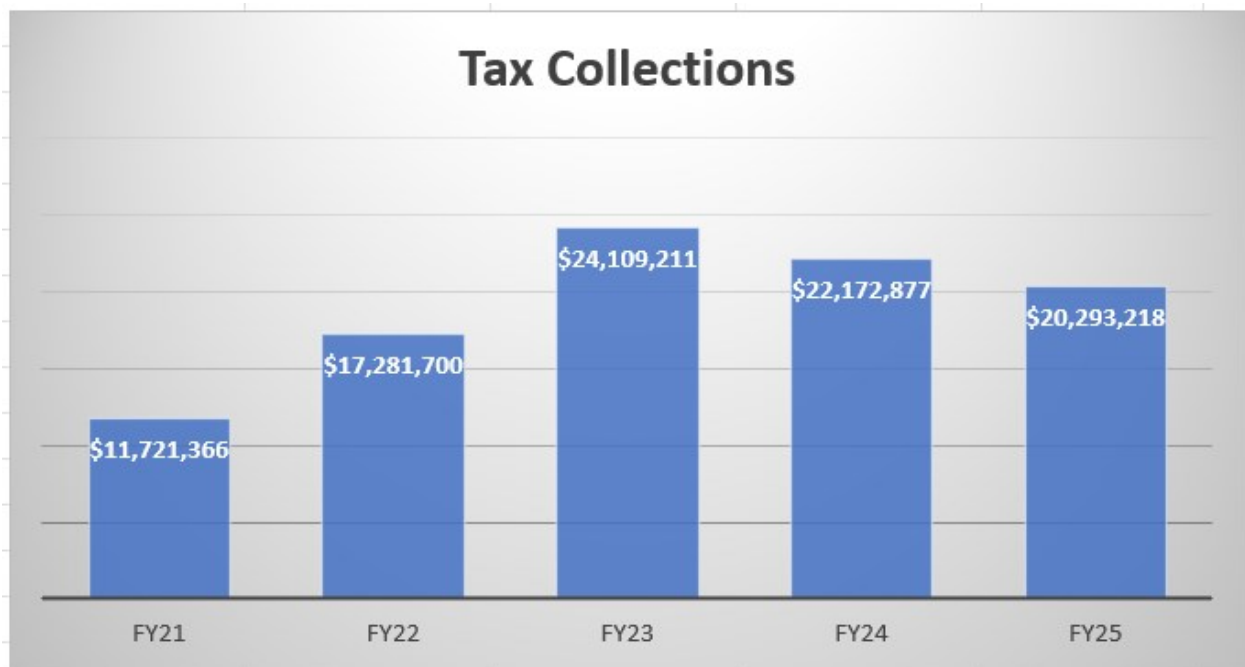
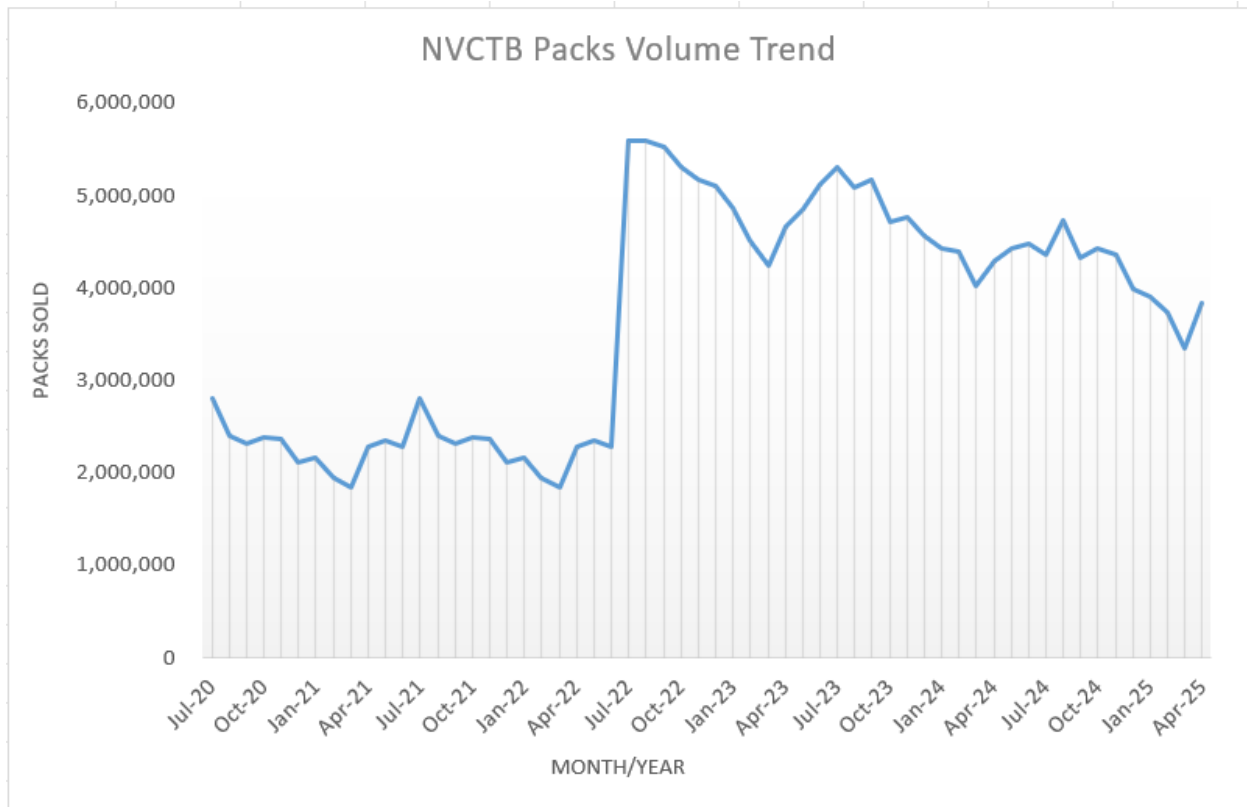
Line Item	FY21	FY22	FY23	FY24	FY25	FY25	FY26
	Actuals	Actuals	Actuals	Actuals	Estimate	Actuals (5/25)	Estimate
Cigarette Tax	\$11,721,366	\$17,281,700	\$24,109,211	\$22,172,877	\$21,353,163	\$20,143,168	\$20,004,938
Locality Tax Rate Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,359	\$ -
Penalties Collected	\$ 31	\$ 5,493	\$ 21,533	\$ 6,089	\$ 10,500	\$ 10,192	\$ 7,000
Interest on Investments	\$ 79	\$ 316	\$ 677	\$ 665	\$ 600	\$ 721	\$ 700
Permits	\$ 6,700	\$ 8,200	\$ 7,000	\$ 7,250	\$ 6,800	\$ 6,600	\$ 6,400
Wholesaler Discount	\$ -	(\$323,745)	(\$481,347)	(\$442,899)	(\$427,063)	(\$402,571)	(\$400,099)
<b>Totals</b>	<b>\$11,728,176</b>	<b>\$16,971,964</b>	<b>\$23,657,074</b>	<b>\$21,743,981</b>	<b>\$20,944,000</b>	<b>\$19,909,470</b>	<b>\$19,618,939</b>

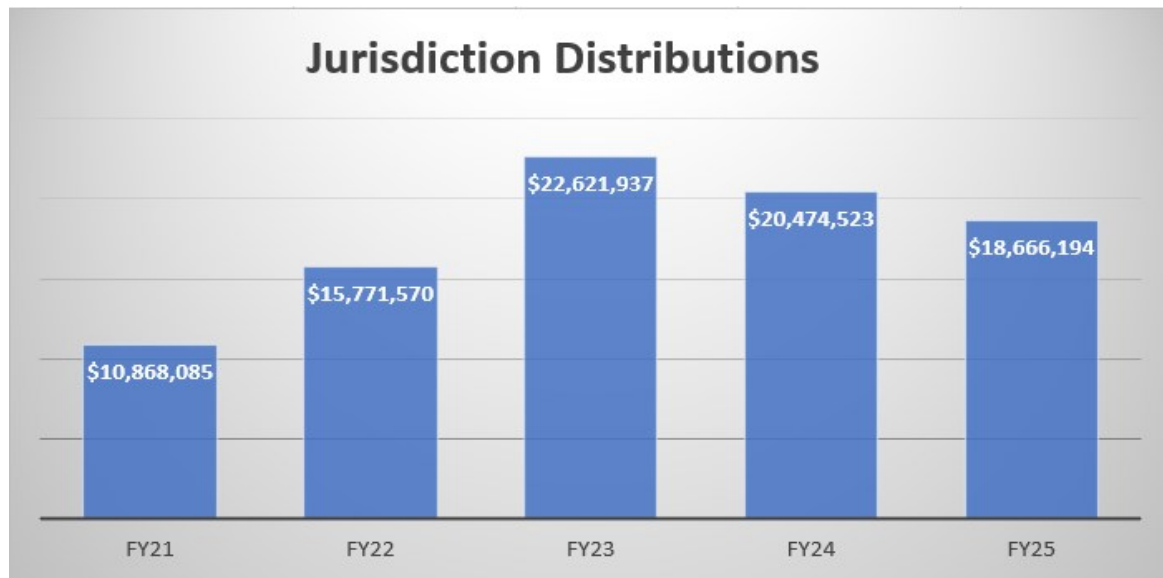
Tobacco tax revenues for the FY25 estimate are projected at \$20,944,000 based on receipts for the first 11 months of the current fiscal year, factoring in the continued downward trend in cigarette sales and floor tax collections from the tax rate increase to \$0.40/pack in 6 jurisdictions (Counties of Fairfax, Spotsylvania, Stafford, city of Fredericksburg, towns of Clifton and Hillsboro).

### Tobacco Tax Rates



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 FY26 tax revenue allocation to all member jurisdictions:

Jurisdiction	FY26 Packs	FY26 Taxes	2% Discount	Net Taxes
City of Alexandria	1,442,422	\$1,817,452	(\$36,349)	\$1,853,801
City of Fairfax	569,727	\$484,268	(\$9,685)	\$474,583
City of Falls Church	146,913	\$124,876	(\$2,498)	\$122,378
City of Fredericksburg	831,615	\$332,646	(\$6,653)	\$325,993
City of Manassas	568,010	\$369,207	(\$7,384)	\$361,823
City of Manassas Park	246,530	\$184,897	(\$3,698)	\$181,199
County of Fairfax	12,559,635	\$5,023,854	(\$100,477)	\$4,923,377
County Fauquier	1,067,502	\$427,001	(\$8,540)	\$418,461
County of Loudoun	8,108,612	\$3,243,445	(\$64,869)	\$3,178,576
County of Prince William	8,612,960	\$3,445,184	(\$68,904)	\$3,376,280
County of Spotsylvania	4,089,990	\$1,635,996	(\$32,720)	\$1,603,276
County of Stafford	3,336,721	\$1,334,689	(\$26,694)	\$1,307,995
Town of Clifton	3,207	\$1,283	(\$26)	\$1,257
Town of Dumfries	110,038	\$82,528	(\$1,651)	\$80,878
Town of Haymarket	203,273	\$152,455	(\$3,049)	\$149,406
Town of Herndon	192,820	\$144,615	(\$2,892)	\$141,723
Town of Hillsboro	30,695	\$12,278	(\$246)	\$12,032
Town of Leesburg	725,742	\$544,306	(\$10,886)	\$533,420
Town of Lovettsville	66,370	\$26,548	(\$531)	\$26,017
Town of Middleburg	15,862	\$8,724	(\$174)	\$8,550
Town of Purcellville	194,252	\$145,689	(\$2,914)	\$142,776
Town of Remington	29,162	\$11,665	(\$233)	\$11,431
Town of Round Hill	38,731	\$15,492	(\$310)	\$15,182
Town of Vienna	211,789	\$180,021	(\$3,600)	\$176,420
Town of Warrenton	639,550	\$255,820	(\$5,116)	\$250,704
<b>Totals</b>	<b>44,042,127</b>	<b>\$20,004,938</b>	<b>(\$400,099)</b>	<b>\$19,604,839</b>



## EXPENDITURE OVERVIEW

The NVCTB proposed expenditure for FY26 are budgeted at \$1,376,900 allocated as follows:

Item	FY22	FY23	FY24	FY25 (Est)	FY25 Actuals	FY26 (Est)
703 · Automobile Expense	\$ 6,618	\$ 9,153	\$ 6,959	\$ 12,000	\$ 7,977	\$ 8,000
704 · Bond & Insurance	\$ 8,486	\$ 9,094	\$ 10,121	\$ 11,200	\$ 11,123	\$ 12,075
705 · Telephone	\$ 10,959	\$ 7,135	\$ 8,106	\$ 8,000	\$ 7,144	\$ 6,300
706 · Employer Life Insurance	\$ 1,777	\$ 2,434	\$ 2,560	\$ 1,200	\$ 893	\$ 1,100
707 · Employer Medical Insurance	\$ 62,500	\$ 75,051	\$ 77,801	\$ 105,000	\$ 90,896	\$ 92,000
708 · Employer Retirement	\$ 148,976	\$ 158,704	\$ 216,800	\$ 238,000	\$ 217,275	\$ 246,100
709 · Social Security	\$ 9,215	\$ 9,134	\$ 9,457	\$ 11,000	\$ 9,010	\$ 10,750
710 · Computer Services	\$ 30,093	\$ 34,836	\$ 31,341	\$ 40,000	\$ 32,186	\$ 37,000
711 · Payroll Expenses:709 · Social Security/Medicare	\$ 671,642	\$ 648,495	\$ 675,470	\$ 750,000	\$ 651,830	\$ 732,700
712 · Office Supplies	\$ 4,700	\$ 4,167	\$ 1,682	\$ 2,500	\$ 1,049	\$ 1,250
713 · Postage	\$ 1,530	\$ 89	\$ 480	\$ 500	\$ 200	\$ 250
714 · Printing	\$ 1,500	\$ 1,101	\$ 428	\$ 1,000	\$ 244	\$ 500
715 · Office Equipment	\$ 18,591	\$ 9,568	\$ 8,412	\$ 10,000	\$ 6,388	\$ 6,000
716 · Rent	\$ 61,767	\$ 55,946	\$ 111,149	\$ 117,000	\$ 111,990	\$ 128,250
717 · Professional Services	\$ 26,792	\$ 8,875	\$ 9,925	\$ 15,000	\$ 10,524	\$ 12,000
718 · Stamps	\$ 46,023	\$ 18,075	\$ 33,773	\$ 30,000	\$ 30,713	\$ 30,000
719 · Disability	\$ 3,028	\$ 3,529	\$ 4,009	\$ 5,700	\$ 4,493	\$ 5,550
720 · Travel	\$ -	\$ 3,944	\$ 1,331	\$ 4,500	\$ 570	\$ 2,000
721 · Unemployment Insurance	\$ 3,907	\$ 2,079	\$ 56	\$ 100	\$ 56	\$ 75
722 · Miscellaneous	\$ (14,514)	\$ 4,631	\$ 5,379	\$ 10,000	\$ 4,008	\$ 5,000
724 · Retirement Plan Maintenance	\$ 11,218	\$ 5,359	\$ 1,467	\$ 2,000	\$ 536	\$ 2,000
725 · Office Equip maint/Rep	\$ 220	\$ 722	\$ 743	\$ 1,000	\$ 743	\$ 500
726 ·Purchase Tax Board Vehicle	\$ 73,118	\$ 31,901	\$ -	\$ -	\$ -	\$ -
727 · Reserve-Vehicle Repair/Replace	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,620	\$ 5,000
728 · Computer System Development	\$ -	\$ -	\$ 35,265	\$ 35,000	\$ 28,644	\$ 30,000
729 · Training and Development	\$ 4,330	\$ 7,538	\$ 6,744	\$ 10,000	\$ 5,545	\$ 2,500
730 · Legal Services	\$ 3,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 4,620	\$ -
Miscellaneous Receipts Uncollectable	\$ -	\$ 13,578	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$1,200,473</b>	<b>\$1,135,137</b>	<b>\$1,269,458</b>	<b>\$1,430,700</b>	<b>\$ 1,243,276</b>	<b>\$ 1,376,900</b>

The following is an estimate of the FY26 expenditure allocated to all member jurisdictions:

<b>Jurisdiction</b>	<b>Pack Sales</b>	<b>Packs Ratio</b>	<b>Expense</b>
City of Alexandria	1,442,422	3.2751%	\$ 45,095
City of Fairfax	569,727	1.2936%	\$ 17,812
City of Falls Church	146,913	0.3336%	\$ 4,593
City of Fredericksburg	831,615	1.8882%	\$ 25,999
City of Manassas	568,010	1.2897%	\$ 17,758
City of Manassas Park	246,530	0.5598%	\$ 7,707
County of Fairfax	12,559,635	28.5173%	\$ 392,655
County of Fauquier	1,067,502	2.4238%	\$ 33,374
County of Loudoun	8,108,612	18.4110%	\$ 253,502
County of Prince William	8,612,960	19.5562%	\$ 269,269
County of Spotsylvania	4,089,990	9.2865%	\$ 127,866
County of Stafford	3,336,721	7.5762%	\$ 104,317
Town of Clifton	3,207	0.0073%	\$ 100
Town of Dumfries	110,038	0.2498%	\$ 3,440
Town of Haymarket	203,273	0.4615%	\$ 6,355
Town of Herndon	192,820	0.4378%	\$ 6,028
Town of Hillsboro	30,695	0.0697%	\$ 960
Town of Leesburg	725,742	1.6478%	\$ 22,689
Town of Lovettsville	66,370	0.1507%	\$ 2,075
Town of Middleburg	15,862	0.0360%	\$ 496
Town of Purcellville	194,252	0.4411%	\$ 6,073
Town of Remington	29,162	0.0662%	\$ 912
Town of Round Hill	38,731	0.0879%	\$ 1,211
Town of Vienna	211,789	0.4809%	\$ 6,621
Town of Warrenton	639,550	1.4521%	\$ 19,994
<b>Totals</b>	<b>44,042,127</b>		<b>\$1,376,900</b>