THE NORTHERN VIRGINIA CIGARETTE TAX BOARD

MEETING MINUTES

June 5, 2025

MEMBERS PRESENT:

P. Johnson, City of Fairfax
G. Bruch, Fairfax County
K. Acoff, City of Alexandria
T. Demeria, City of Manassas
R. Lamb, Prince William County
J. Elliott, Spotsylvania County
C. Fazenbaker, Town of Leesburg
A. Fletcher, Town of Middleburg
A. Linn, Town of Occoquan
C. LeMarr, Town of Purcellville
C. Owens, Town of Round Hill
S. Barlow, Town of Vienna
S. Miller, Town of Warrenton

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

I. Call to Order:

The meeting commenced at 11:03 A.M. with a Roll Call of each Jurisdiction by Mr. G. Bruch, Vice Chairman. Upon completion of Roll Call, Mr. P. Johnson, Chairman, noted that a Quorum was present.

II. Approve the Agenda:

As first order of business, Mr. P. Johnson requested a motion to adopt the agenda. Mr. G. Bruch made the motion to adopt the agenda and was seconded by Mr. T. Demeria. With no changes noted, the agenda was unanimously approved.

III. Approval of the Minutes:

Mr. P. Johnson moved to review the minutes of the November 7, 2024, meeting. Ms. J. Elliott made the motion to adopt the minutes as recorded and was seconded by Ms. C. LeMarr. With no corrections or additions noted, the minutes were unanimously approved.

IV. Petitions / Communications from Public:

Mr. J. Rengel confirmed for Mr. P. Johnson that none were received and nobody from the public had logged onto the meeting.

V. Officers Reports:

Mr. P. Johnson, Chairman, no report.

Mr. G. Bruch, Vice-Chairman, no report.

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

VI. Town of Occoquan Request to Join the NVCTB:

Mr. P. Johnson welcomed the Town of Occoquan. Mr. J. Rengel presented the Town of Occoquan’s request to join NVCTB. A new Ordinance was approved at their May 20th Council meeting with effective date of July 1, 2025, and tax rate of $0.40 per pack. Currently there are no tobacco stores within Town limits, so at this time there are no revenues or assigned expenses for this new jurisdiction. Mr. Adam Linn, Occoquan’s Town Manager and Chief of Police, was introduced to the Board. Mr. P. Johnson requested a motion to admit the Town of Occoquan. Mr. T. Demeria made the motion to admit and was seconded by Mr. G. Bruch. The motion to admit was approved unanimously.

VII. Approve Changes to NVCTB Pension Plan and Trust Agreement:

Mr. J. Rengel presented two changes to the agreement for Fiscal Year 2025-2026. First, the annual contribution rate increased from 33.46% to 33.71%. Second, a change in the definition for early retirement, to match the VRS definition and to be consistent with the Health Insurance Plan. Mr. P. Johnson requested a motion to approve changes. Ms. J. Elliott made the motion and was seconded by Mr. G. Bruch. The motion carried unanimously.

VIII. Approve Changes to NVCTB Agreement:

Mr. J. Rengel presented the changes in addition to adding Town of Occoquan to the Agreement. First, an increase to the liability insurance from $500,000 to $1,000,000 to match our current Policy. Second, an increase in the fiscal year ceiling from 6% to 7% for total expenditures. With no questions from the Board, Mr. P. Johnson asked to entertain a motion to approve the Agreement. Mr. K. Acoff made the motion and was seconded by Mr. G. Bruch. The motion carried unanimously. The Agreement was signed by each locality in attendance.

IX. FY2026 Proposed Budget with Administrator Updates:

Mr. J. Rengel provided a summary document to all members with support for the FY 2026 Budget prior to today’s meeting. The highlights of this document were reviewed with the Board during the meeting.
A one-page handout of projected revenues and expenditures was distributed. This was a tough budget year, with revenues continuing to decline. There is a 3.76% net decrease in overall budgeted expenses from FY 2025, noting that certain personnel expenses will increase for annual merit pay and retirement contributions, as well as increases for the insurance policy and office rent. Reductions to expenses include a decrease in employer’s health insurance contributions and elimination of the previously vacant position. Mr. P. Johnson asked if this is an action item in the future, given steady declines in revenue. Mr. J. Rengel responded yes, but attempts to increase revenues, such as taxing vape products, require legislative action for ability to tax at the local level. Mr. T. Demeria questioned the removal of Legal Services from the Budget. Mr. J. Rengel advised that we have a Reserve Fund for Legal Services plus a Retainer on file, but does not foresee any upcoming legal matters based on the prior years’ history that would need additional build-up of the Reserve Fund for now. Ms. C. LeMarr questioned the reduction in health insurance contribution. Mr. J. Rengel advised that NVCTB was previously included with the City of Fairfax benefits, but now NVCTB has its own separate coverage and can set the employer contribution percentage independently but are following in line with the City of Fairfax contribution rates of 80% for Individual and 70% for Dual + Family coverage. Mr. P. Johnson inquired if Professional Services was for the accounting services (Audit).

Mr. J. Rengel affirmed yes and then expanded on expenditures related to the new web-based software system for maintenance, security, data-storage along with debugging, modifications and enhancements. Ms. J. Elliott questioned Rent expense, if that was a known certain percentage increase each year. Mr. J. Rengel confirmed that with the office expansion it is a fixed escalation each year, but there are also uncontrollable landlord costs, like snow removal and real estate taxes, which are allocated to all the tenants annually. The 2022 study to include the five counties dictated the expansion based on operations at that time. Ms. C. LeMarr asked about the over 50% reduction in Travel expenses and if that would impact field work. Mr. J. Rengel clarified that Travel expenses were not related to daily field work. Mr. P. Johnson redirected back to Rent expense and wondered if there was opportunity to renegotiate the current lease in light of current commercial real estate market downturn and the continued vacancy within the building. Mr. J. Rengel confirmed that staff were planning to look into renegotiation or even reducing the size over the remaining 13 years of the current lease. With no additional questions, Mr. P. Johnson requested before making a motion on the budget to temporarily table it and enter into executive session to discuss personnel matters, then come back for the adoption of the budget.

X. Appointment of Officers for FY2026

Mr. P. Johnson asked if anyone else was interested in serving on the Executive Committee of the Board. With no response, Mr. P. Johnson advised that he, along with Mr. G. Bruch and Mr. K. Greenlief, expressed interest in continuing as well. Mr. P. Johnson requested to entertain a motion to adopt the current Officers of Chairman, Vice-Chairman and Secretary/Treasurer. Ms. J. Elliott made the motion to adopt Officers and Mr. T. Demeria seconded, by acclamation.

XI. Executive Session:

Mr. P. Johnson asked to move into Executive Session and requested a motion for the Executive Session. Mr. G. Bruch moved to recess and convened in Closed Session for the purpose of discussing personnel matters under Section 2.2-3711.A.1 of the Code of Virginia. The motion was seconded by Ms. C. LeMarr. All Board members present voted aye unanimously and Board retired into closed session at 11:22am.

XII. Reconvene to Open Session:

The meeting was reconvened at 11:33am from Closed Session. Mr. G. Bruch reported that during the Closed Session members of the Board discussed matters of personnel and no other business had been conducted. Mr. T. Demeria made the motion to reconvene and seconded by Ms. C. LeMarr. All Board members present voted aye unanimously and Board reconvened.

XIII. Adoption of the FY2026 Budget:

Mr. P. Johnson shared his thanks to the Administrator for his hard work and the advancements he has made on behalf of the Board. From discussions during closed session, the Board is in agreement with a three-year contract extension for Mr. J. Rengel as Administrator at his current salary, plus any future staff merit increases. Regarding additional compensation, the Board agreed to modify the budgeted merit increase from 2% to 3% for employees, provided adjustments could be made to other line items in order to maintain the $1,376,900 cap for the proposed total budgeted expenditures. Mr. P. Johnson asked to entertain a motion to adopt FY2026 Budget, with line-item changes. Mr. G. Bruch made the motion to adopt the Budget and Ms. J. Elliott seconded the motion. The motion to adopt carried unanimously.

See final adopted FY 2025-2026 Budget in Attachment A on page six.

XIV. Adjournment:

Mr. P. Johnson thanked everyone for their time today and requested a motion to adjourn. Mr. T. Demeria made the motion to adjourn and was seconded by Mr. G. Bruch. The motion carried unanimously, and the meeting adjourned at 11:39am.

Signed by:
William Page Johnson II
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William Page Johnson, II
Chairman of the Board

PROPOSED FISCAL YEAR 2025 / 2026 BUDGET

ACCT.	ACCOUNT NAME	FY 24/25 APPROVED	FY 25/26 REQUESTED	DIFFERENCE
703	AUTOMOBILE EXPENSE	12,000	8,000	(4,000)
704	BOND AND INSURANCE	11,200	12,075	875
705	TELEPHONE	8,000	6,300	(1,700)
706	EMPLOYER LIFE INSURANCE	1,200	1,100	(100)
707	EMPLOYER MEDICAL INSURANCE	105,000	92,000	(13,000)
708	EMPLOYER RETIREMENT	238,000	247,300	9,300
709	SOCIAL SECURITY/MEDICARE	11,000	10,800	(200)
710	COMPUTER SERVICES	40,000	37,000	(3,000)
711	PAYROLL	750,000	736,300	(13,700)
712	OFFICE SUPPLIES	2,500	875	(1,625)
713	POSTAGE	500	250	(250)
714	PRINTING	1,000	500	(500)
715	OFFICE EQUIPMENT	10,000	6,000	(4,000)
716	RENT	117,000	128,250	11,250
717	PROFESSIONAL FEES	15,000	12,000	(3,000)
718	TAX STAMPS	30,000	30,000	-
719	EMPLOYER DISABILITY	5,700	5,575	(125)
720	TRAVEL	4,500	1,000	(3,500)
721	UNEMPLOYMENT INSURANCE	100	75	(25)
722	MISCELLANEOUS	10,000	1,750	(8,250)
724	RETIREMENT PLAN MAINT.	2,000	2,000	-
725	OFFICE EQUIP MAINT/REPAIR	1,000	500	(500)
726	PURCHASE OF TAX BOARD VEHICLE	0	0	-
727	RESERVE FOR VEHICLE REPAIR & REPLACE	5,000	5,000	-
728	COMPUTER SYSTEM DEVELOPMENT	35,000	30,000	(5,000)
729	TRAINING AND DEVELOPMENT	10,000	2,250	(7,750)
730	LEGAL SERVICES	5,000	0	(5,000)
	TOTALS	**1,430,700**	**1,376,900**	**(53,800)**