

**Local Finance Board
Meeting Minutes
September 10, 2025**

Meeting Convened. A meeting of the Local Finance Board was called to order at 9:05 a.m., Wednesday, September 10, 2025 in the County Administrative Conference Room by Chairman William Bowen.

Attendance. The following members of the Local Finance Board were present: Mr. William Bowen, Board Chair and York County School Division's Chief Financial Officer; Mrs. Theresa Owens, York County Finance Director; Ms. Candice Kelley, York County Treasurer; and Mr. Thomas Tragle, Citizen Representative.

Ms. Carolyn Cuthrell, York County Deputy Director of Finance, was also in attendance.

Roll Call.

Mr. Bowen requested a roll call. A quorum was present at the meeting to make decisions and discuss actions.

Approval of Minutes.

Mr. Tragle moved, seconded by Ms. Kelley, to adopt the minutes of the June 11, 2025 meeting as submitted. The minutes were approved 4:0.

Performance Reports.

Ms. Cuthrell stated that the performance reports are as of June 30, 2025, the fourth quarter of FY 2025. She pointed out the specific gains for Portfolio I from the Trust Investments' inception, June 30, 2016, to September 30, 2025 was \$1.006 billion; and from March 31, 2025 to June 30, 2025 was \$103.0 million. She reminded everyone that the County is only involved in Portfolio I. She also noted that Portfolio I actual returns for the fourth quarter of FY 2025 were 6.11%, 0.94% under performance and actual returns over the past year were 9.03%, 1.92% under performance, and over the past 10 years were 7.30% at 0.29% over performance.

Ms. Cuthrell pointed out that VACo/VML had provided the following explanation for Portfolio's under performance for the FY2025 fourth quarter:

“The quarter featured a mixed review in terms of economic indicators. Headline GDP grew at a 3.0% annualized rate, rebounding from A1 contraction of -0.5%. However, this growth was largely attributed to a significant decline in imports, following a surge in Q1 due to front-loading purchases ahead of new tariffs. Inflation edged up during the quarter after hitting a four-year low in April, a potential sign that companies are starting to pass tariff costs on to consumers. In June, consumer prices, measured by the CPI, rose 2.7 from a year earlier, above May’s increase of 2.4%. The labor market showed some weakness as job growth stalled with the U.S. only adding 19,000 jobs in May and just 14,000 in June. However, the unemployment rate ended the quarter at a still low 4.1%. Overall, the quarter was characterized by uncertainty around the ultimate levels of tariffs and the impact they might have on prices and the supply and demand for goods and services.

Chairman Bowen opened the discussion on the reports for the Board Members. He noted that there has been significant growth in this last quarter which translates into great news, especially for VRS to which Mrs. Owens concurred.

Bank Statement Balance Information.

Ms. Cuthrell noted that the bank statements reflect all of the bank activity through June 30, 2025. She then pointed out the following specific information:

- For the County, the total change in the Market Value was \$1,256,246.85; a Market Value of \$15,617,035.46; a Cost Value of \$8,015,105.48; with a difference of \$7,601,929.98 in the Market Value and Cost Value.
- For the Schools, the total change in the Market Value was \$1,104,682.42; a Market Value of \$12,635,418.90; a Cost Value of \$6,669,016.42; with a difference of \$5,966,402.48 in the Market Value and Cost Value.
- For Colonial Behavioral Health, the total change in the Market Value was \$51,908.55; a Market Value of \$648,479.81; a Cost Value of \$496,777.19; with a difference of \$151,702.62 in the Market Value and Cost Value.

Open Discussion.

Chairman Bowen opened and initiated the Board’s discussion by stating that the state of the Commonwealth is very, very strong. The surplus from the last fiscal year was over a half billion dollars. Almost all of the projections in revenue exceeded their benchmark and forecast with the exception of payroll tax which was just below their forecast. This is excellent information as the School Division

enters into the new budget cycle. In addition, he noted that the state's rainy-day fund is at an all-time high at \$4.7 billion at the end of the fiscal year.

Mr. Tragle inquired if that fund was invested and if so, is it impacted by the market?

Chairman Bowen responded that he did not know how they invested these funds.

Mrs. Owens remarked that she felt certain these rainy-day funds are invested somewhere and therefore susceptible to market changes.

Both Mrs. Owens and Ms. Kelley pointed out that it is quite certain that they are invested in stable commodities such as bonds.

Chairman Bowen responded that he did not know how they invested these funds. during which the following comments were made:

- Mr. Tragle stated that anyone who is able to read the current market must be a genius.
- Mrs. Goodwin noted that everyone is holding their breath relative to the future of the market.
- Mrs. Owens added that it will be interesting to see what the next quarter will bring.
- Mrs. Kelley pointed out that some of the Chief Executive Officers of large corporations have expressed confidence in the market's future. She also asked if the annual OPEB meeting had been set.

In response to Mrs. Kelley's query, Ms. Cuthrell stated that she had not yet been notified; however, it is typically held in the later portion of September.

Mrs. Owens pointed out that York County Treasurer, Candice Kelley, on behalf of the Local Finance Board will be attending the annual OPEB meeting.

Ms. Kelley noted that she would provide a report on this annual event at the next Local Finance Board meeting.

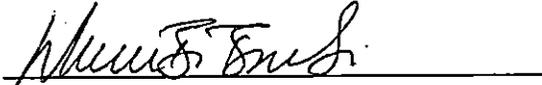
Future Meetings.

Chairman Bowen stated that the next meeting will be held on December 10, 2025 at 9:00 a.m. in the County Administration Conference Room.

Meeting Adjournment.

Mr. Tragle moved, seconded by Ms. Kelley, to adjourn the meeting. The motion received unanimous support.

The meeting was adjourned at 9:28 a.m.

A handwritten signature in cursive script, appearing to read "William Bowen", is written over a horizontal line.

William Bowen
Chair, York County Local Finance Board