

MINUTES

**BERRYVILLE TOWN COUNCIL
Budget and Finance Committee Meeting
October 27, 2025
3:30 p.m.**

A meeting of the Berryville Town Council Budget and Finance Committee was held on Monday, October 27, 2025, at 3:30 p.m. at the Berryville-Clarke County Government Center in Berryville.

Town Council

Present: Erecka L. Gibson, Vice Mayor; Grant Mazzarino.

Absent:

Staff

Present: Keith Dalton, Town Manager; Brandel Kelsey, Town Clerk; Cindy Poulin, Treasurer.

1. Call to Order

Ms. Gibson called the meeting to order at 3:40 p.m.

2. Approval of Agenda

Agenda was approved as **amended** by consensus on a motion by Mr. Mazzarino.

3. New Business

VACo/VML Investments- Steve Mulroy

Mr. Mulroy explained details of the VACo/VML Virginia Investment Pool as outlined in the **attached** document. Mr. Dalton asked who normally handles the moving of funds between the different pools. Mr. Mulroy said it is usually the Town Manager. Mr. Mazzarino asked if participants have withdrawn in the past. Mr. Mulroy said participants may move around in the pools, but seldom withdraw fully. Mr. Dalton recommended that the committee ask Mr. Mulroy to come back in January to speak with the full Council. Ms. Gibson asked if participants normally participate in all 3 pools and Mr. Mulroy said no, but it is recommended.

The Committee directed staff to propose investment recommendations for the committee's review.

4. Unfinished Business

Bank Account Review

Ms. Gibson explained that every 2 years there needs to be a review of the Town's bank accounts. Mrs. Poulin reviewed the accounts with the Committee.

Administration and Finance Monthly Packet to Town Council

Ms. Gibson spoke about what comes in the monthly finance packet and what may or may not be needed on a monthly basis. The committee directed staff to amend the report and gauge Town Council's support of the change.

Budget Updates

The Committee discussed how income from interest is apportioned to the General Fund, Water Fund, and Sewer Fund. The Committee directed the Treasurer to review the matter in accordance with their accordance and affect a fair distribution.

14. Closed Session

None

15. Adjourn

The Council adjourned at 5:03 p.m. on a motion by Mr. Mazzarino.

Erecka L. Gibson, Vice Mayor

Brandel Kelsey, Town Clerk



VACo/VML Virginia Investment Pool

VIP Briefing for:
**Budget & Finance Cmte.
Town of Berryville, Virginia**

Steve Mulroy, Managing Director

October 27, 2025



About VML/VACo Finance

- Non-profit corporation established in 2003 by the Virginia Municipal League (VML) and Virginia Association of Counties (VACo).
- Governed by Board of Directors comprised of local government officials appointed by VML and VACo.
- Municipal Advisor registered with the Municipal Securities Rulemaking Board & SEC.
- Services include:
 - ✓ Financing & Municipal Advisory: *\$1.2B in projects financed to date*
 - ✓ Pooled OPEB Trust & Virginia Investment Pool (VIP): *\$6.0B in assets*
 - ✓ Accounting Services



VML/VACo Virginia Investment Pool (VIP)

- Created in 2013 by local Treasurers and investment officers to provide a professionally managed investment program for local governments and political subdivisions of the Commonwealth.
- Legislation specifically recognizing jointly-administered investment pools was unanimously approved by the General Assembly in 2017.
- Organized as a governmental trust (IRC Section 115). *Not a “product.”* VIP is owned and controlled by local governments and authorities.
- As of June 30, 2025, VIP portfolios had a combined:
 - \$3.9 billion** in assets
 - 191** participating political subdivisions



VIP is Local Governments Investing Jointly

- Benefits of our approach:
 - ✓ Accountability to Treasurers and Investment Officers – **VIP's owners**
 - ✓ Consistent record of competitive returns
 - ✓ Highly-rated portfolios with continuous oversight
 - ✓ Customer-focused and user-friendly

- Funds managed by PTMA Financial Solutions, an SEC-registered investment advisor:
 - ✓ A best-in-class fund manager with **\$154 billion** in assets under management
 - ✓ Focused on management of short-term, fixed income investments for state and local governments





VIP Board of Trustees – FY 2026

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Note: Voting members of the VIP Board of Trustees are elected at Annual Meetings of participants.

VIP's investment options

Portfolio Characteristics	Stable NAV Liquidity Pool	COMING SOON VIP Fixed Term Portfolios	1-3 Year High Quality Bond Fund
Key Attributes	<ul style="list-style-type: none"> Daily liquidity Stable Net Asset Value 	<ul style="list-style-type: none"> Specific maturity dates Fixed rate of return if held to maturity 	<ul style="list-style-type: none"> Longer term yields Net Asset Value experiences low volatility
How Used	<ul style="list-style-type: none"> Short-term cash needs Link to bank account 	<ul style="list-style-type: none"> Cash needs with a specific term Seasonal cash flow management 	<ul style="list-style-type: none"> Longer-term fund balances over one year
Liquidity	Daily	3, 6, 9, or 12 months; Subject to penalty for early withdrawal	Semi-Monthly; Intended for investments over one year
Underlying Securities (partial listing)	Negotiable CDs, Commcl Paper, Repos	US Treasuries & Agencies, Commcl Paper, Repos, Negot. CDs	US Treasuries & Agencies, High Quality Corporate Bonds
Rating	AAA (S&P)	AAA (Fitch)	AA+f/S1 (S&P)

end of the year



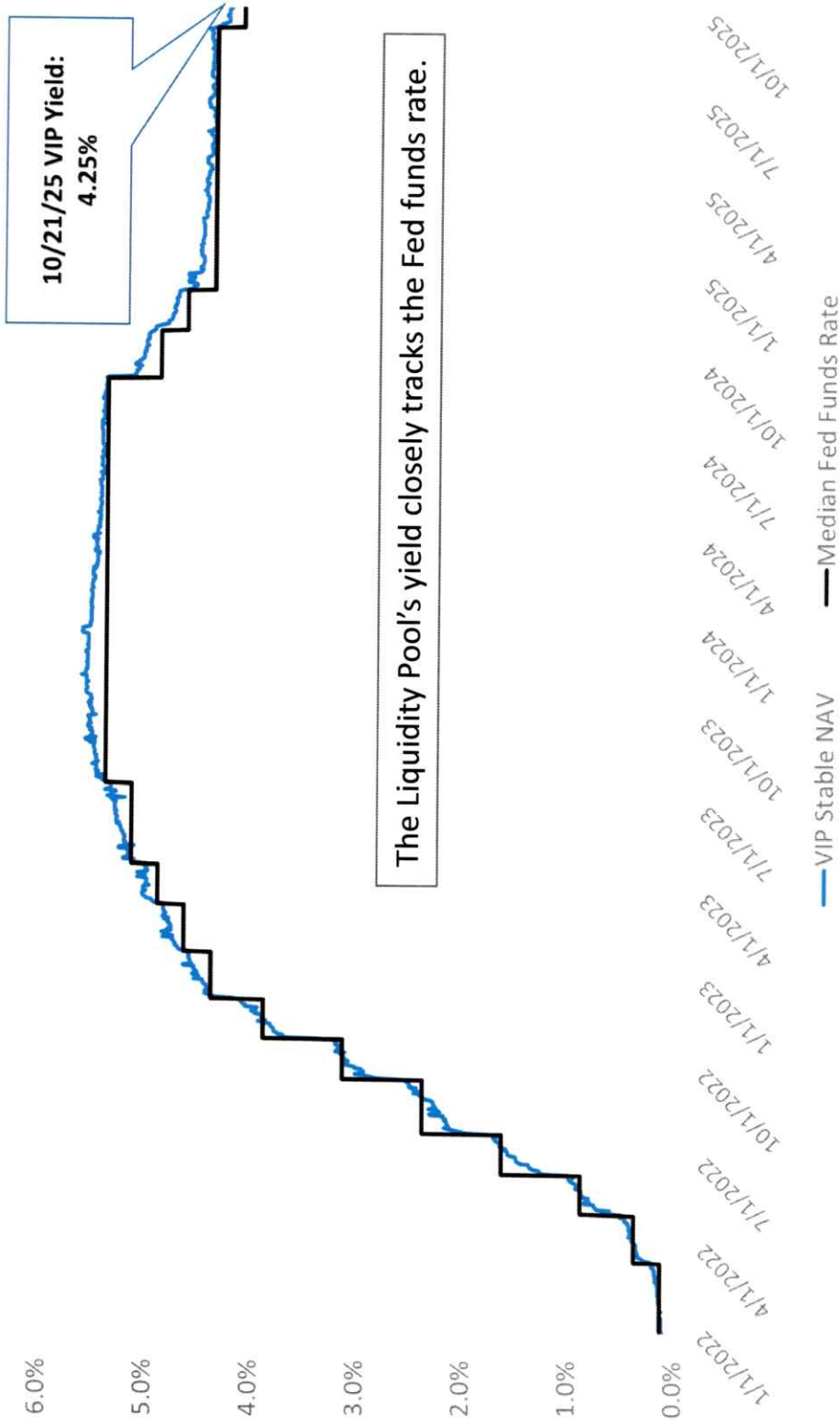


VIP Stable NAV Liquidity Pool

- Features:
 - ✓ Safety – Stable net asset value and S&P rating of AAAm
 - ✓ Daily liquidity – **2 PM** cutoff for same day funds
 - ✓ Highly competitive rates – current net yield is **4.25%***
 - ✓ No minimum balance or account maintenance fee
 - ✓ Establish separate accounts to track project funds at no additional cost
- Appropriate for bond proceeds
- ✓ Complete arbitrage monitoring & rebate reports at no additional cost
- Yields posted daily at virginiainvestmentpool.org.

**Yield as of October 21, 2025. Past performance is not necessarily indicative of future results.*

VIP Stable NAV Liquidity Fund



The Liquidity Pool's yield closely tracks the Fed funds rate.

10/21/25 VIP Yield:
4.25%

Past performance is not necessarily indicative of future results.



VIP 1-3 Year High Quality Bond Fund

- A portfolio invested in **high-quality, short-term fixed income** securities.
 - Portfolio benchmark: ICE BofA Merrill Lynch 1-3 Year Corp. & Gov't Index
- **Access funds twice a month**, generally with 5 days' notice
- The portfolio is marked-to-market twice per month
- Rated "**AA+f/S1**" by Standard & Poor's. "S1" indicates the lowest level of volatility on S&P's rating scale
- Gross market yield as of 9/30/2025: 3.67%* (*Rate applicable to new investors*)
- Total Return for 12 months ending 9/30/2025: 4.38%* (*Includes price appreciation and income, before fees*)
- Outperformed its key benchmark on a total-return basis for 9 of the past 10 years

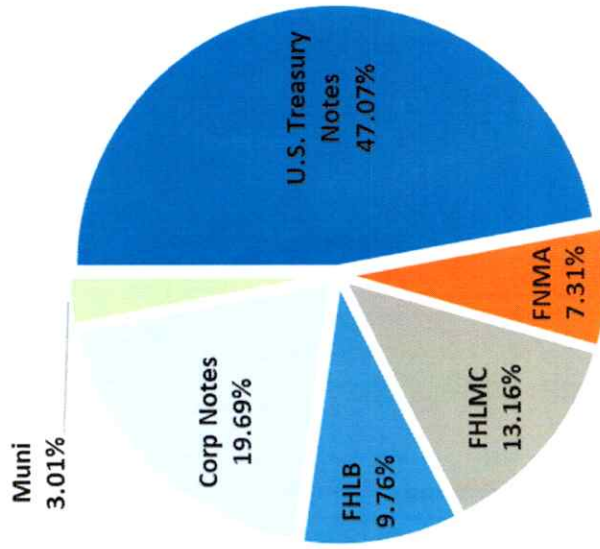
*Fees range from 0.08% to 0.17% based on amount invested. Past performance is not necessarily indicative of future results.



VIP 1-3 Year High Quality Bond Fund

Portfolio is actively managed to adjust to changing market conditions.

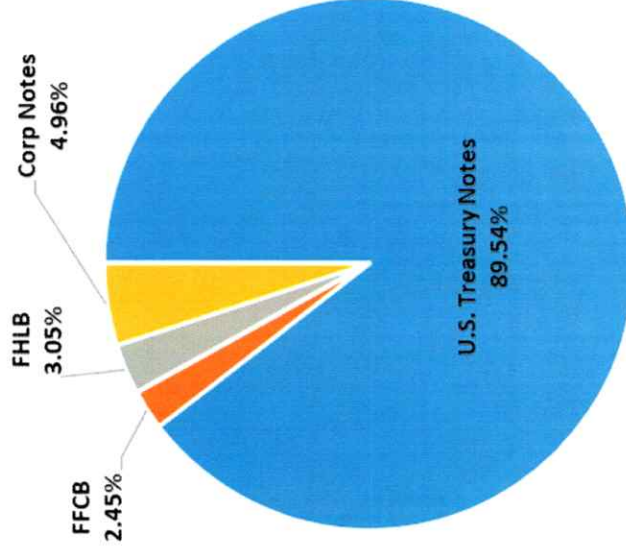
Portfolio Security Distribution



June 2018

Source: PTMA Financial Solutions

Portfolio Security Distribution

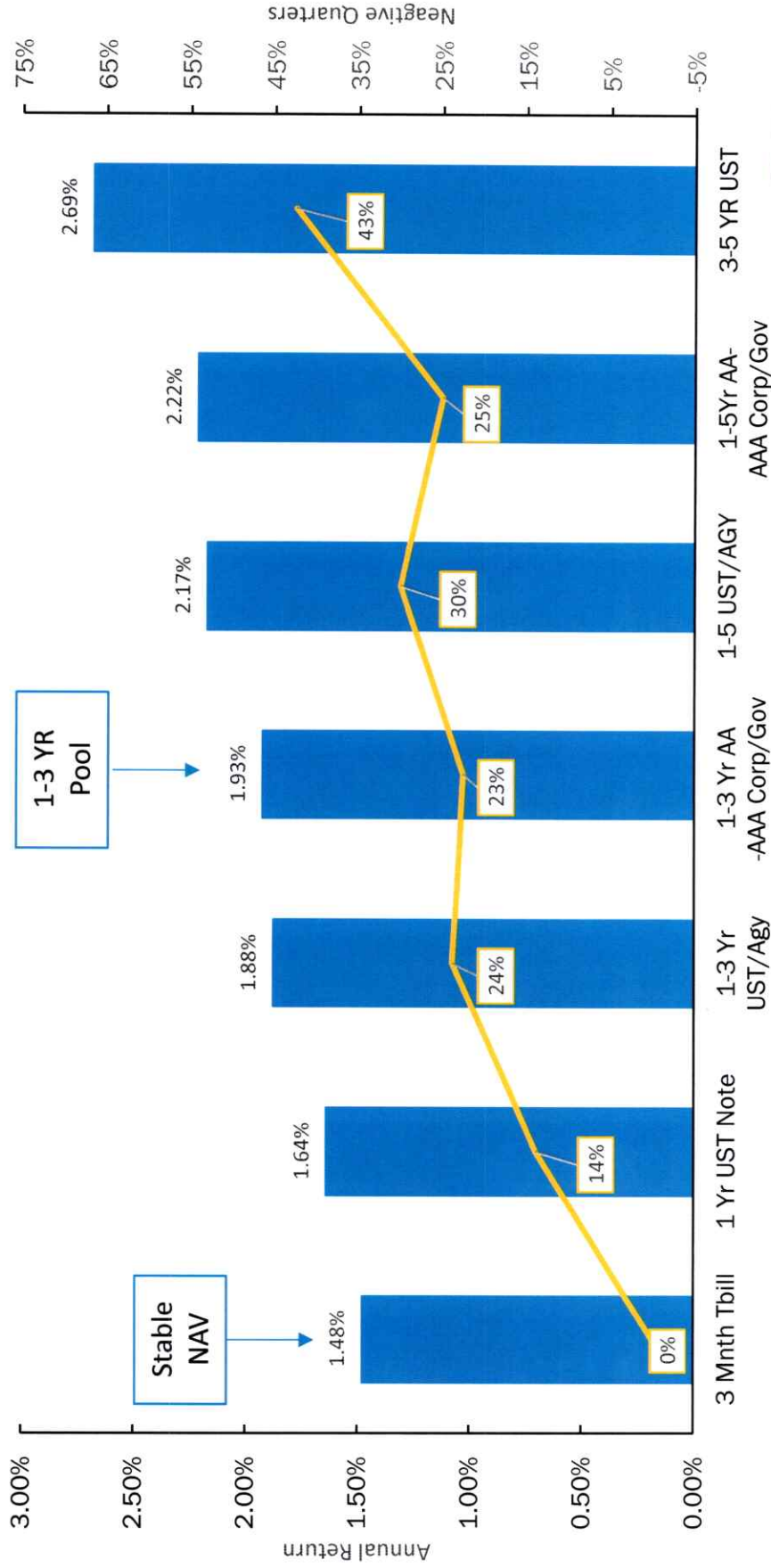


June 2025



Performance: Historical Returns and Volatility

Annual Return Index Comparison
Twenty-Year Period as of December 31, 2024



Source: PTMA Financial Solutions; Bloomberg - ICE BofA Fixed Income Indices. Past performance is not necessarily indicative of future results.

Volatility: 1-3 Year Corp/Gov Historical Total Returns

	Q1	Q2	Q3	Q4	Annual
2004	1.05	-1.14	1.07	0.06	1.03
2005	-0.26	1.20	0.09	0.67	1.72
2006	0.47	0.65	2.01	0.99	4.18
2007	1.42	0.73	2.50	2.26	7.08
2008	2.85	-0.70	1.12	2.96	6.33
2009	0.20	0.46	0.96	0.15	1.77
2010	0.77	1.07	0.73	-0.12	2.47
2011	0.10	0.85	0.40	0.15	1.51
2012	0.12	0.21	0.33	0.10	0.76
2013	0.14	-0.13	0.32	0.09	0.42
2014	0.14	-0.13	0.32	0.09	0.67
2015	0.16	0.29	0.03	0.18	0.59
2016	0.53	0.14	0.33	-0.41	0.93
2017	0.91	0.54	-0.08	-0.44	0.55
2018	0.30	0.22	0.27	-0.23	1.64
2019	-0.13	0.24	0.24	1.28	3.64
2020	2.62	0.29	0.12	0.07	3.12
2021	-0.04	-0.02	0.06	-0.53	-0.53
2022	-2.34	-0.52	-1.57	0.75	-3.66
2023	1.56	-0.55	0.74	2.52	4.31
2024	0.32	0.95	2.87	-0.05	4.13
2025	1.60	1.19	1.13		

2021 - 2022
Low Yields + Increasing Rates = Negative Total Return

2023 - 2024
Higher Yields + Stable/Declining Rates = Positive Total Return



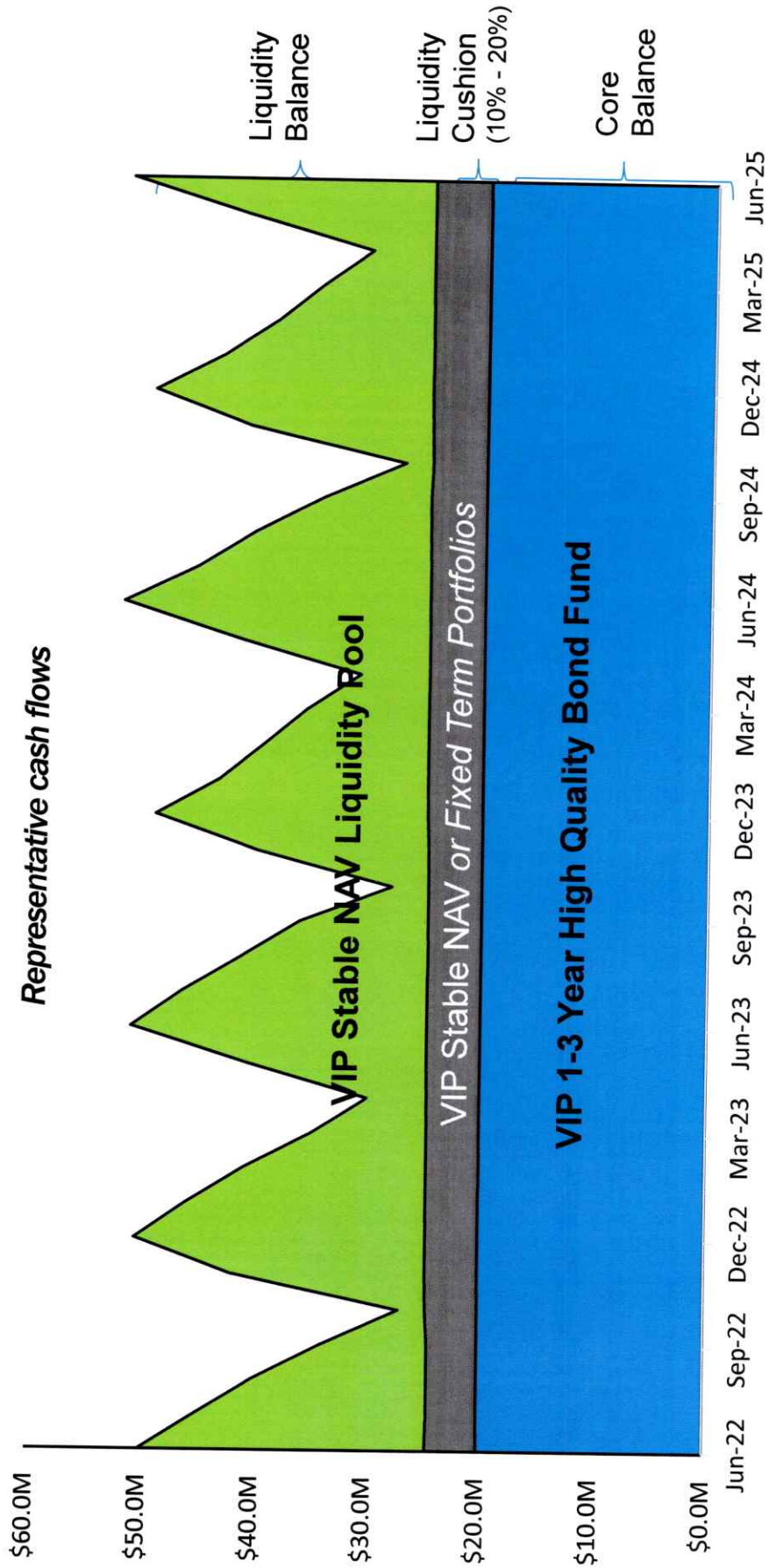


VIP Fixed Term Portfolios – Coming Soon

- Bridges the gap between VIP Stable NAV Liquidity Pool and VIP 1-3 Year High Quality Bond Fund
- Offers Participants the ability to lock-in a fixed rate of return over a fixed time horizon
 - Participants can select portfolios with a time horizon of 3, 6, 9, or 12 months
- Avoids interest rate volatility
 - Declining rates have a negative impact on the Liquidity Pool yields
 - Increasing rates negatively impact the total return of the 1-3 Year High Quality Bond Fund
- Professionally managed, safe (AAAf rated by Fitch), and approved for Virginia local governments



Three complementary services for managing funds



This chart is for informational purposes only. It is not meant to provide advice for your locality's particular situation. For assistance with analyzing your situation, please consult with PTMA Financial Solutions, VIP's registered investment manager.



Steps to Join VIP Trust

- Town Council passes an ordinance which includes authorization for Town Manager/Finance Director to open a VIP account
- Town Manager/Finance Director executes VIP Trust Agreement Joinder Agreement
- Town completes VIP Account Registration form and submits, along with Joinder Agreement, to VML/VACo Finance



VML/VACo Finance's Mission

- Provide high-quality financial services to all political subdivisions in Virginia.
- Deliver solutions that meet the needs of clients and exceed expectations.
- Treat clients fairly and with integrity.
- Employ staff with subject matter expertise and highest professional standards.



Thank you.

valocalfinance.org

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Steve Mulroy

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VIP
Virginia Investment Pool
A Service of VML/VACO Finance