



*Robert J. Harvie, Chairman
David E. Landau, Esq.
Anand D. Solanki
David A. Nasatir, Esq.
Gregory C. McCarthy, Esq.*

DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

Minutes of the Agenda Meeting on June 9, 2025

On June 9, 2025, at 1811 Bethlehem Pike, Flourtown Commons, Suite C350, Flourtown, PA 19031, the Agenda Meeting of the Board of Directors of the Delaware Valley Regional Finance Authority was conducted as advertised.

Robert J. Harvie called the meeting to order and called the roll. The following members were also present: David E. Landau, Anand D. Solanki, David A. Nasatir, and Gregory C. McCarthy. Lucien B. Calhoun from Calhoun Baker Inc., the Administrator, and Carmen P. Belefonte, Esq., the Authority Solicitor, were also in attendance.

The Administrator discussed the Administrator's report and briefed the Board on the agenda for the public meeting.

No action was taken on the Requisitions or Resolutions.

A handwritten signature in blue ink that reads "Anand D. Solanki". The signature is written in a cursive style.

ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority



*Robert J. Harvie, Chairman
David E. Landau, Esq.
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DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

Agenda Meeting June 9, 2025

Call to Order and Roll Call

Requisitions to be considered

Requisition 25-26: Baker Tilly US, LLP, \$2,010.00, expenses related to 2024 audit

Resolutions to be considered

Program Administrator's Report

- a) Loan portfolio
- b) Market conditions
- c) Swap transactions and market values
- d) Financing activities



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**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS ON JUNE 9, 2025**

The Board of Directors of the Delaware Valley Regional Finance Authority, as duly advertised, held a public meeting, on June 9, 2025, at 1811 Bethlehem Pike, Suite C350, Flourtown, PA 19031.

Robert J. Harvie called the meeting to order and called the roll. The following members were also present: David E. Landau, Anand D. Solanki, David A. Nasatir, and Gregory C. McCarthy. Lucien B. Calhoun from Calhoun Baker Inc., the Administrator, and Carmen P. Belefonte, Esq., the Authority Solicitor, were also in attendance.

The Pledge of Allegiance was recited by all present.

Upon a motion of Mr. McCarthy, seconded by Mr. Solanki, the Board unanimously approved the Minutes of the Meeting of May 12, 2025.

Upon a motion of Mr. Nasatir, seconded by Mr. McCarthy, the Board unanimously approved the payment of **Requisition 25-26**, as described below.

Requisition 25-26: the Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$2,010.00** to **Baker Tilly US, LLP** for expenses related to the 2024 audit.

Lucien Calhoun presented the monthly Administrator's Report. Mr. Calhoun discussed the trend of interest rates, recent bonds issued in the Market Area, the composition of the Loan portfolio, compliance with the Covenant Agreement, and the market values of DelVal's swap transactions. He also discussed prospective Extraordinary Mandatory Redemptions of the 1997 and 1998 Series and plans to issue a new Bond Series.

Upon a motion of Mr. Landau, seconded by Mr. McCarthy, the Board unanimously approved adjourning the Public Meeting.

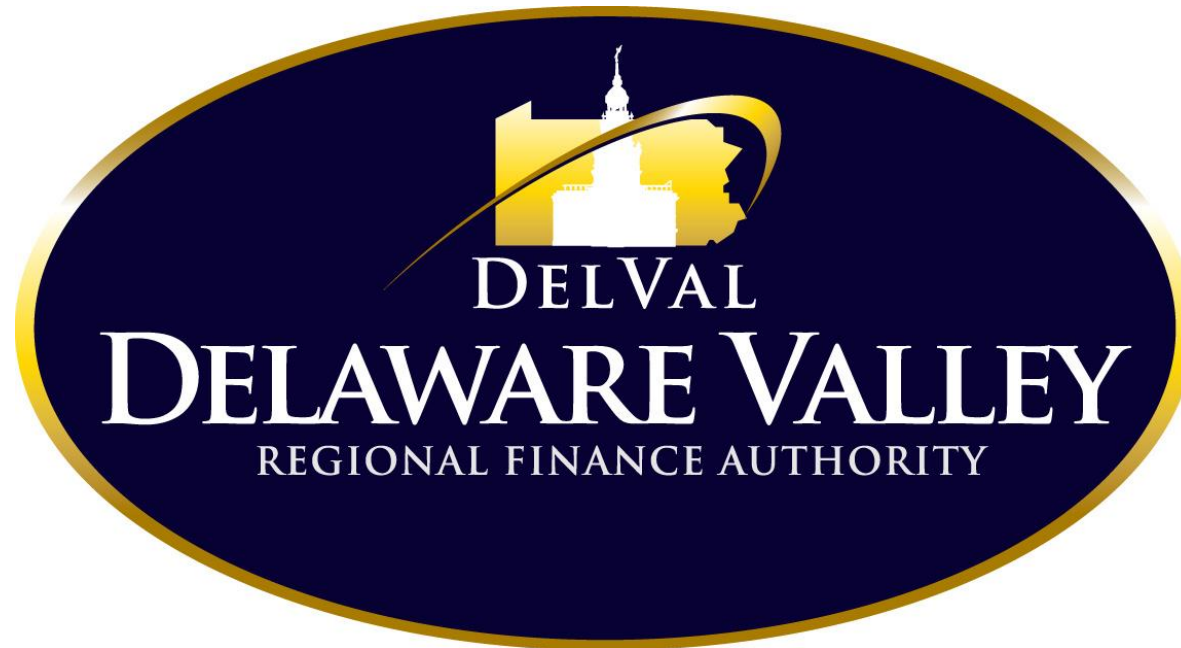
A handwritten signature in blue ink that reads "Anand D. Solanki".

ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority

Delaware Valley Regional Finance Authority

Program Administrator's Report

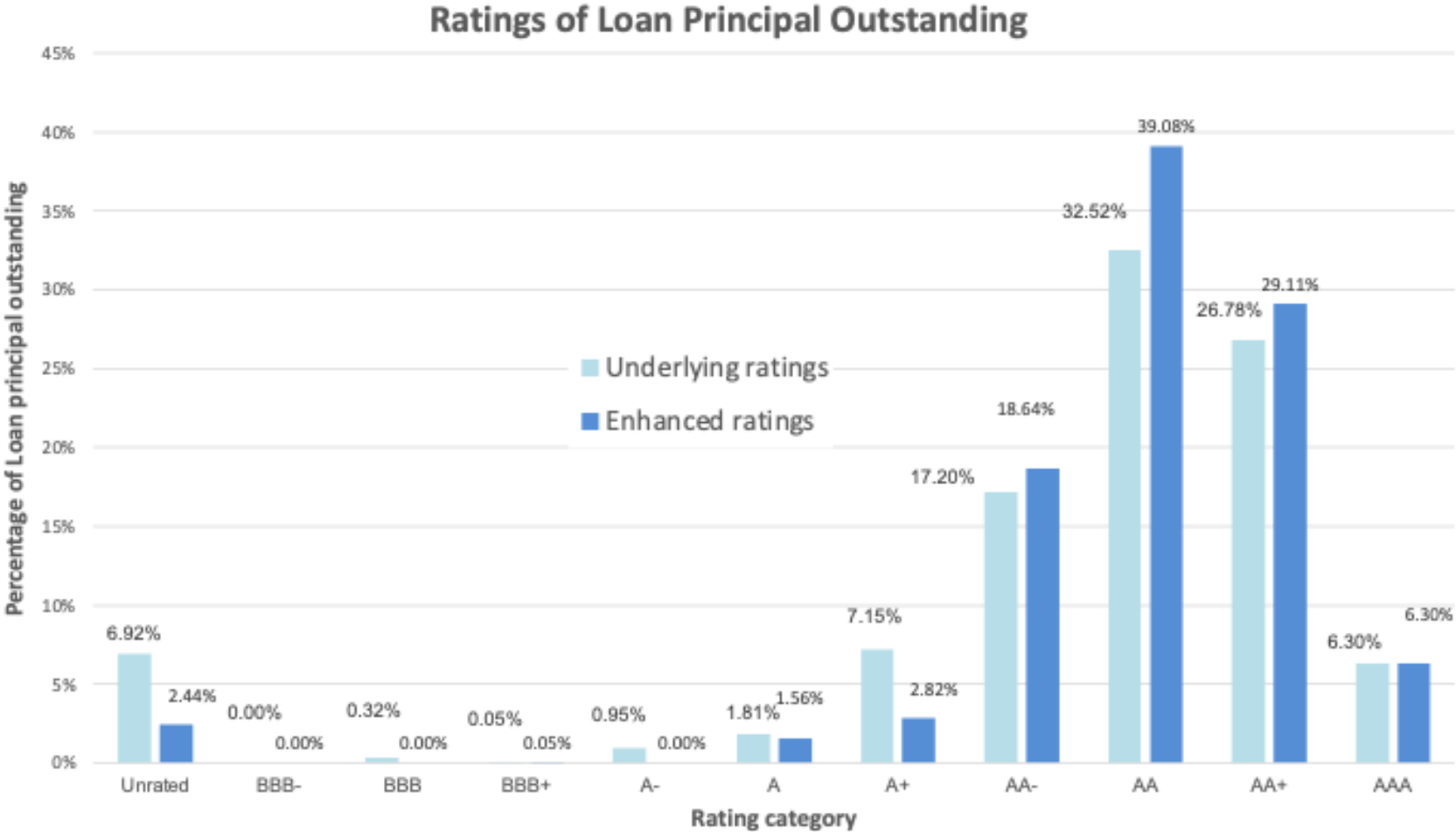
June 9, 2025



Discussion Points

- Loan portfolio
- Market conditions
- Swap transactions and market values
- Financing activities

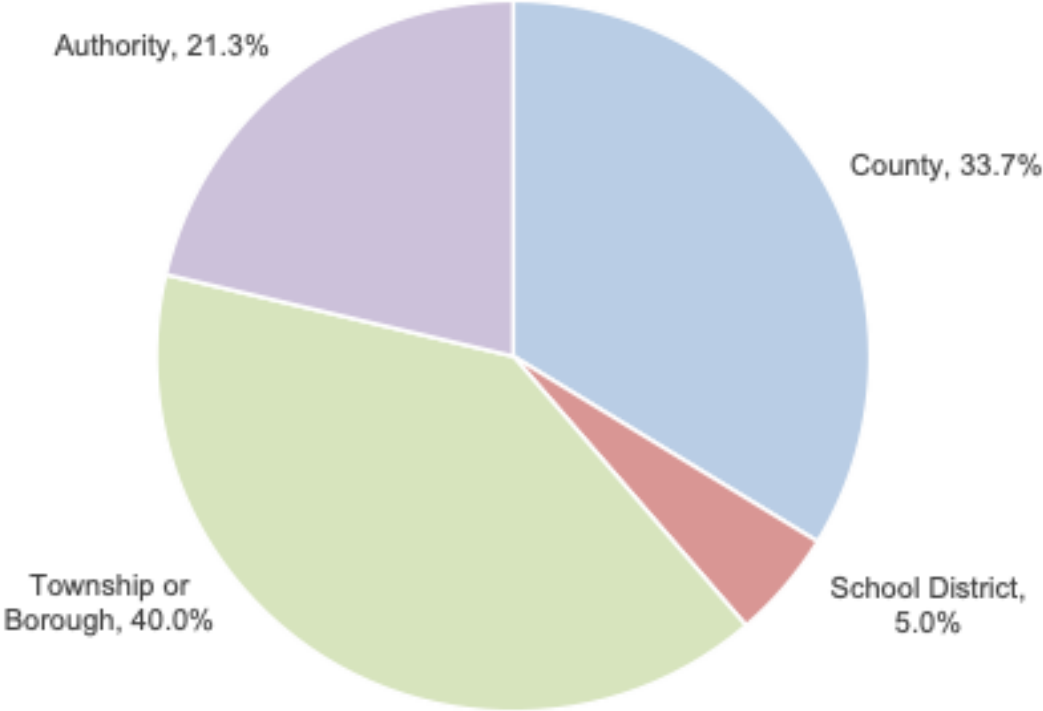
Loan Portfolio



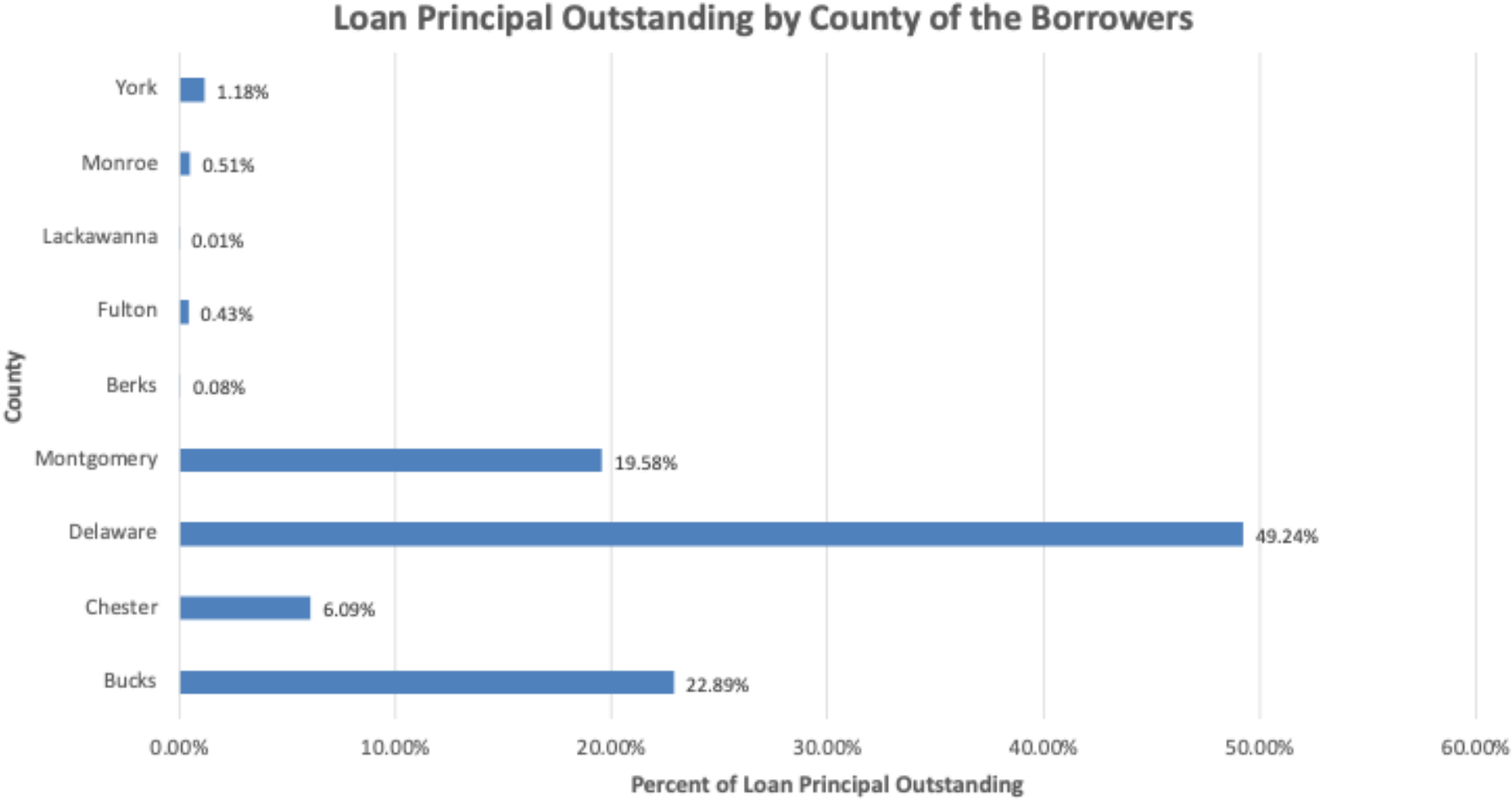
- Assured Guaranty and Build America Mutual insure 13.89% of the outstanding Loans.
- The weighted average underlying and enhanced rating of borrowers in the DeVal Loan Program is “AA”.

Loan Principal by Type of Local Government

Loan Principal Outstanding by Type of Borrower



Loan Principal by County of Borrower



97.8% of DelVal’s Loan Portfolio is in Bucks, Chester, Delaware, and Montgomery Counties, the wealthiest, most diversified, and most stable region in the Commonwealth.

Loans Originated During the Past Year

Loans Originated for the Year Ending May 31, 2025

<u>No.</u>	<u>Loans Closed</u>	<u>County</u>	<u>Underlying Rating</u>				<u>Amount</u>	<u>Closing</u>
			<u>Insurer</u>	<u>Kroll</u>	<u>Moody's</u>	<u>S&P</u>		
1	Upper Southampton Municipal Authority	Bucks	---	AA	---	---	\$ 3,000,000	14-Jun-24
2	Delaware County Solid Waste Authority	Delaware	---	---	Aa1	AA+	35,000,000	18-Jun-24
3	Norwood Borough	Delaware	---	---	---	---	1,450,000	20-Jun-24
4	Marcus Hook Borough	Delaware	---	---	---	---	1,000,000	10-Sep-24
5	Aldan Borough	Delaware	BAM	---	---	---	4,000,000	26-Sep-24
6	Hatfield Borough	Montgomery	---	---	---	---	2,900,000	4-Nov-24
7	Upper Dublin Township	Montgomery	---	---	Aa1	---	10,000,000	8-Nov-24
8	Brookhaven Borough	Delaware	---	---	---	AA-	1,000,000	6-Feb-25
9	Upper Dublin Township	Montgomery	---	---	Aa1	---	11,400,000	11-Apr-25
10	Chadds Ford Township Sewer Authority	Delaware	---	---	---	---	300,000	17-Apr-25
11	Morrisville Borough	Bucks	BAM	---	---	---	1,625,000	16-May-25
	Total						<u>\$ 71,675,000</u>	

Loan origination has declined in 2025 due to:

- Higher project costs due to inflation, supply chain issues, and labor shortages,
- Higher interest rates that increase debt service burdens,
- Fewer refunding opportunities due to higher interest rates, and
- CARES and ARPA grants that displaced financings.

Applications and Loans in Process

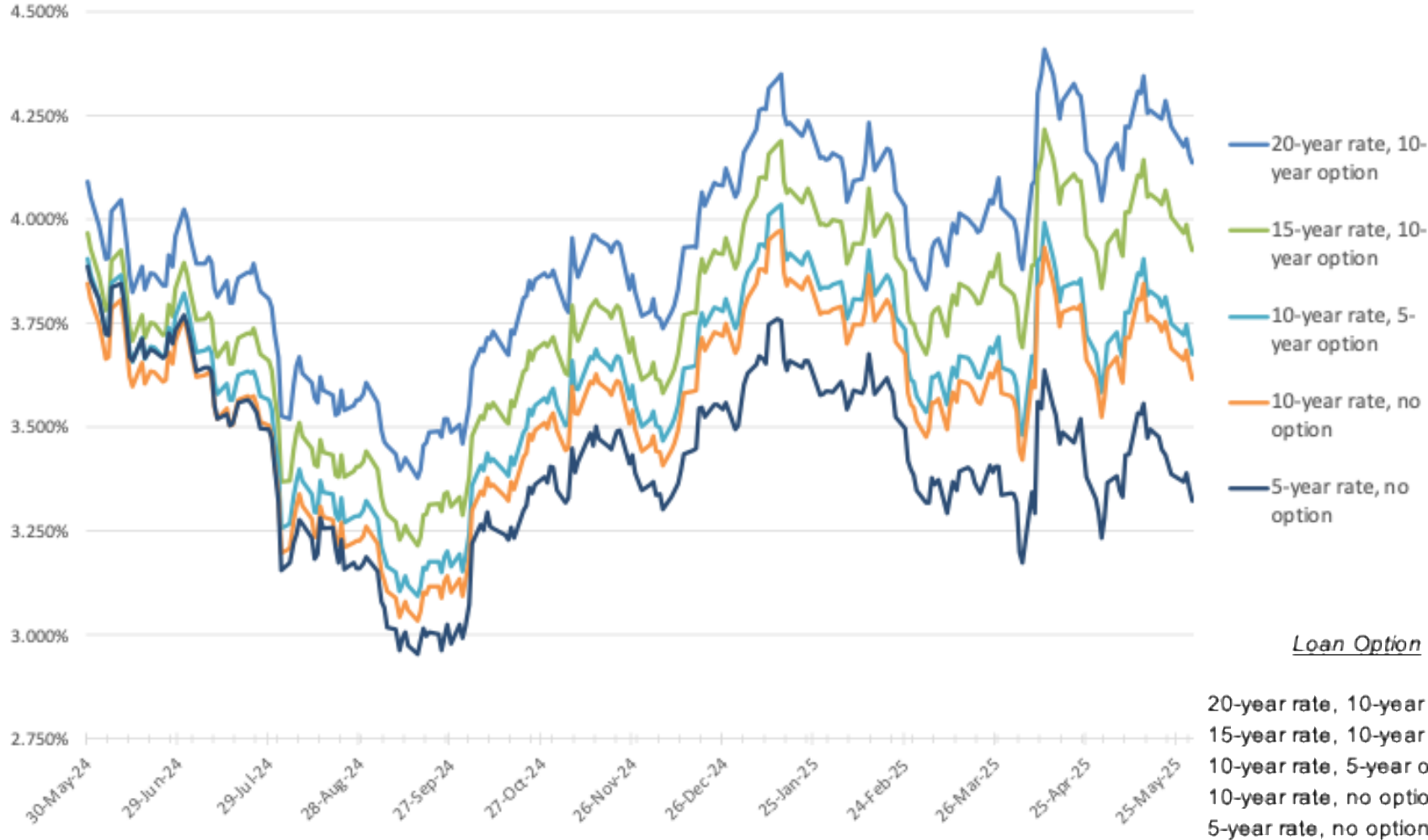
Applications and Loans in Process as of May 31, 2025

<u>No.</u>	<u>Loans in Process</u>	<u>County</u>	<u>Underlying Rating</u>				<u>Amount</u> *	<u>Scheduled Closing</u> *
			<u>Insurer</u>	<u>Kroll</u>	<u>Moody's</u>	<u>S&P</u>		
1	Chalfont Borough	Bucks	---	---	---	---	\$ 350,000	13-Jun-25

* Preliminary, subject to change.

DeVal Loan Rates for the Past Year

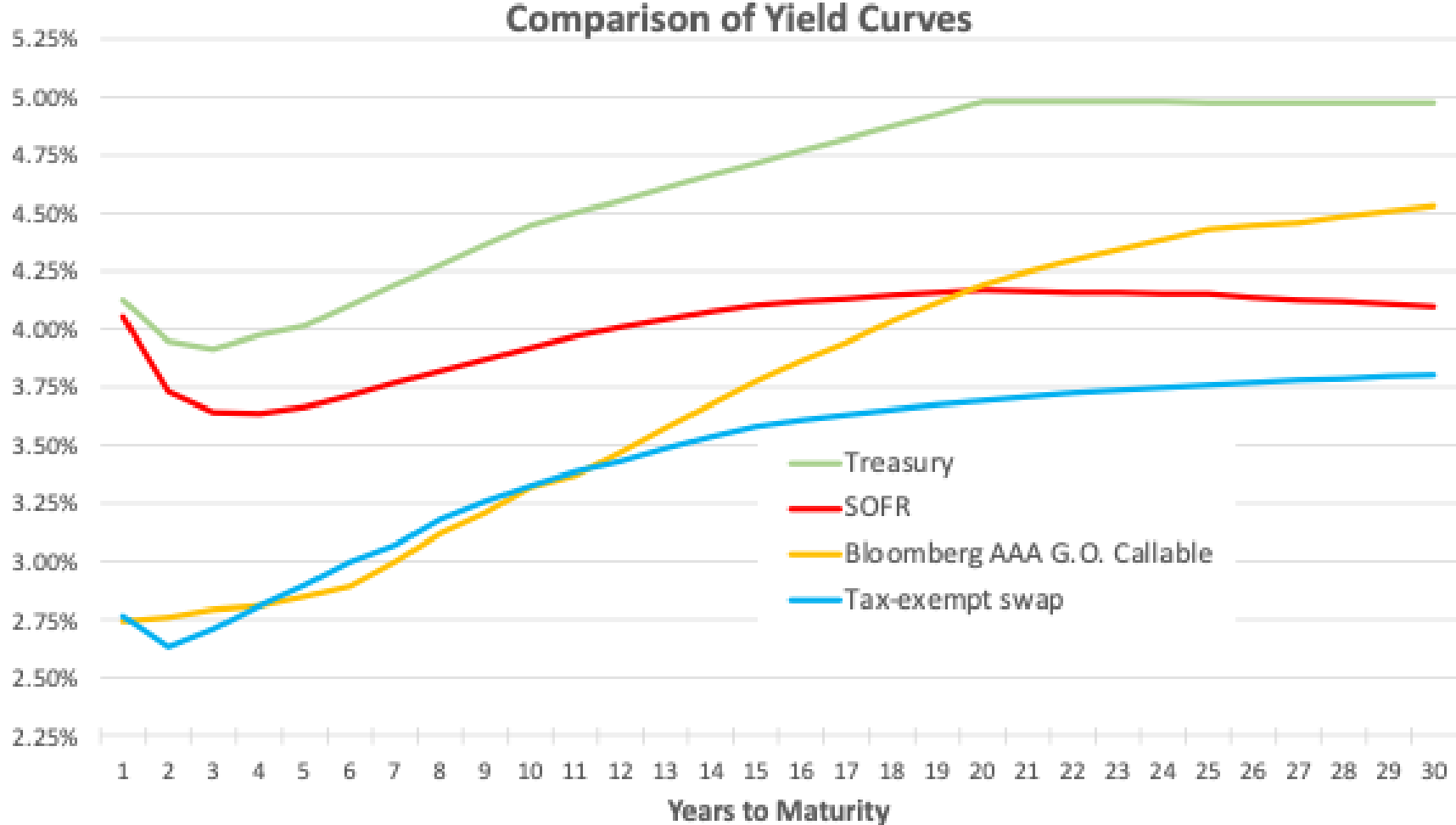
DeVal Loan Rates for the Past Year



Interest rates have been volatile due to uncertainty surrounding tariffs, fiscal deficits, and the Federal Reserve Bank's monetary policy. Rates declined in May on the expectation that the economy was weakening and that the Federal Reserve would reduce benchmark interest rates in response.

<u>Loan Option</u>	<u>Average Loan Rate</u>			
	<u>Past Year</u>	<u>Past 3-Months</u>	<u>Past 6-Months</u>	<u>Rate as of 30-May-25</u>
20-year rate, 10-year option	3.92%	4.12%	4.10%	4.14%
15-year rate, 10-year option	3.76%	3.93%	3.92%	3.93%
10-year rate, 5-year option	3.61%	3.72%	3.74%	3.68%
10-year rate, no option	3.55%	3.66%	3.68%	3.62%
5-year rate, no option	3.42%	3.40%	3.47%	3.32%

Comparison of Yield Curves



The Treasury and SOFR rates are sharply inverted because 40% of the outstanding Treasury debt will roll-over during the next year. All the yield curves have become steeper to the 20-year maturity.

Comparison of AA Bond Issues in the Market Area to a DeVal Loan

<u>Bond issues in the Market Area*</u>	<i>Bonds in the "AA" Rating Category Sold in the Month Ended</i>			<i>3-Month Total</i>
	<u>31-Mar-25</u>	<u>30-Apr-25</u>	<u>31-May-25</u>	
Number of issues	11	13	8	32
Average par amount	\$ 21,184,545	\$ 18,658,846	\$ 25,763,750	\$ 21,303,281
Weighted average rating	AA	AA	AA	AA
Weighted average maturity (years)	17.79	14.14	15.78	15.88
Weighted costs of issuance (% of par amount)				
Bond issues in Market Area	1.932%	1.619%	1.728%	1.759%
Less Comparable DeVal Loans**	<u>0.591%</u>	<u>0.604%</u>	<u>0.865%</u>	<u>0.679%</u>
Savings from comparable DeVal Loan	1.342%	1.015%	0.864%	1.081%
Weighted average All-In True Interest Cost				
Bond issues in Market Area	4.637%	4.692%	4.850%	4.718%
Less Comparable DeVal Loans**	<u>4.317%</u>	<u>4.408%</u>	<u>4.484%</u>	<u>4.396%</u>
Savings from comparable DeVal Loan	0.320%	0.284%	0.366%	0.322%
Average debt service costs				
Bond issues in Market Area	\$ 39,404,992	\$ 31,664,127	\$ 46,538,163	\$ 38,043,558
Less Comparable DeVal Loans**	<u>37,856,759</u>	<u>30,694,047</u>	<u>44,490,198</u>	<u>36,605,267</u>
Savings from comparable DeVal Loan	<u>\$ 1,548,234</u>	<u>\$ 970,080</u>	<u>\$ 2,047,964</u>	<u>\$ 1,438,292</u>

* Preliminary, some official statements may not have been posted yet or may have been missed inadvertently.

**DeVal Loan rates are based on actual end of day rates and include a comparable option and rating agency or insurance fees.

Past results are not a predictor of future spreads and costs.

Bond Issue Comparison

**Lackawanna County
General Obligation Bonds, 2025 Series
Comparison with DelVal Loan Rates on the Sale Date
May 28, 2025**

	<u>Actual</u>	<u>DelVal Loan*</u>
Sources of Funds		
Par Amount of Bonds	\$ 12,010,000.00	\$ 11,766,000.00
Original Issue Premium (Discount)	<u>78,232.90</u>	<u>-</u>
Total sources	<u>\$ 12,088,232.90</u>	<u>\$ 11,766,000.00</u>
Uses of Funds		
Project Costs	\$ -	\$ -
Refunding Costs	11,675,766.00	11,675,766.00
Underwriting Fees	84,070.00	58,830.00
Other Issuance Costs	<u>328,396.90</u>	<u>31,404.00</u>
Total uses	<u>\$ 12,088,232.90</u>	<u>\$ 11,766,000.00</u>
Total debt service	\$ 23,724,086.18	\$ 21,932,278.39
DelVal debt service savings (costs)		\$ 1,791,807.79
All-In True Interest Cost (All-In TIC)	5.309%	4.623%
DelVal All-In TIC savings (costs)		0.687%
Weighted Average Maturity (years)	19.257	19.126

**Lackawanna County
General Obligation Bonds, 2025 Series**

Underwriters' Fees	0.695%
Other Costs	<u>2.717%</u>
Total	3.412%

Type of Sale:	Negotiated
Underwriter:	Raymond James
Bond counsel:	Stevens & Lee
Advisor:	PFM
S&P Rating:	AA
Insurer:	BAM

Bond Issue Comparison

**Coatesville Area School District
General Obligation Bonds, 2025 Series
Comparison with DeVal Loan Rates on the Sale Date
May 28, 2025**

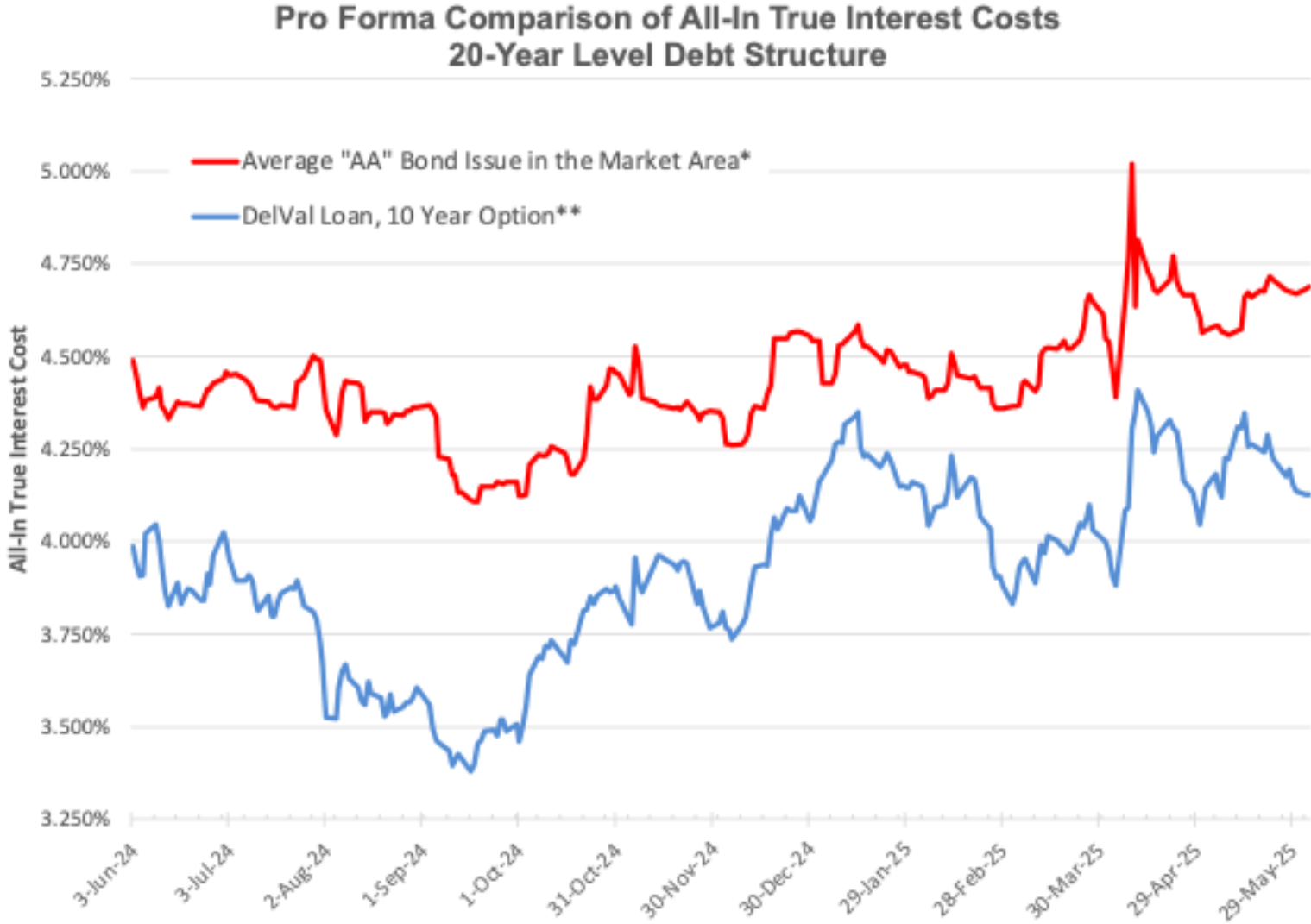
	<i>Actual</i>	<i>DeVal Loan*</i>
Sources of Funds		
Par Amount of Bonds	\$ 91,285,000.00	\$ 94,639,000.00
Original Issue Premium (Discount)	4,428,942.50	-
Total sources	<u>\$ 95,713,942.50</u>	<u>\$ 94,639,000.00</u>
Uses of Funds		
Project Costs	\$ 83,212,117.10	\$ 83,212,117.10
Capitalized Interest	10,917,753.06	9,300,000.00
Underwriting Fees	707,458.75	473,195.00
Other Issuance Costs	876,613.59	680,000.00
Total uses	<u>\$ 95,713,942.50</u>	<u>\$ 93,665,312.10</u>
<i>Total debt service</i>	\$170,952,159.69	\$161,041,017.07
DeVal debt service savings (costs)		\$ 9,911,142.62
<i>All-In True Interest Cost (All-In TIC)</i>	4.972%	4.544%
DeVal All-In TIC savings (costs)		0.429%
<i>Weighted Average Maturity (years)</i>	16.623	16.296

**Coatesville Area School District
General Obligation Bonds, 2025 Series**

Underwriters' Fees	0.739%
Other Costs	<u>0.916%</u>
Total	1.655%

<i>Type of Sale:</i>	<i>Negotiated</i>
<i>Underwriter:</i>	<i>RBC</i>
<i>Bond counsel:</i>	<i>Lamb McErlane</i>
<i>Advisor:</i>	<i>***</i>
<i>Bond insurance:</i>	<i>AG</i>
<i>S&P Rating:</i>	<i>AA</i>

Pro Forma Comparison 20-Year Level Debt AA Bond Issue and DelVal Loan



Market Value of Interest Rate Swap Transactions

Market Value of Interest Rate Swaps

	<i>Rating</i>		<i>Nominal Amount</i>	<i>Market Value 30-May-25</i>
	<i>Moody's</i>	<i>S&P</i>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 11,660,000	\$ 645,085
1998 Series	A1	***	179,885,000	13,831,979
2002 Series	A1	A+	125,000,000	12,632,676
Master Series	A1	A+	585,150,000	(7,740,356)
Total Bond Swaps			<u>901,695,000</u>	<u>19,369,384</u>
<i>Loan swaps</i>				
1997 Series	A1	***	2,049,000	15,330
1998 Series	A1	***	97,393,000	1,787,656
2002 Series	A1	A+	104,514,000	3,037,039
Master Series	A1	A+	708,408,600	64,423,941
Total Loan Swaps			<u>912,364,600</u>	<u>69,263,966</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(314,299)</u>
TOTAL			<u>\$ 1,835,759,600</u>	<u>\$ 88,319,051</u>

Market Value of Interest Rate Swaps

	<i>Rating</i>		<i>Nominal Amount</i>	<i>Market Value 30-May-25</i>
	<i>Moody's</i>	<i>S&P</i>		
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 952,314,200	\$ 66,704,382
Barclays Bank PLC	A1	A+	18,154,000	982,967
Citibank	Aa3	A+	110,050,000	(333,430)
PNC Bank	A1	A	367,335,000	15,230,689
Royal Bank of Canada	Aa1	AA-	387,764,400	5,732,573
Toronto-Dominion Bank	Aa2	A+	142,000	1,870
TOTAL			<u>\$ 1,835,759,600</u>	<u>\$ 88,319,051</u>

Financing Activities

Extraordinary Mandatory Redemption of \$5,110,000 of the 1997 Series on July 1, 2025

Extension of PNC Letter-of-Credit scheduled to terminate on May 19, 2026, that secures the remarketing of the \$50,000,000 2007 B Series

Review options to redeem the floating rate \$75,000,000 2022 B Series prior to its March 1, 2026, mandatory purchase date