



*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 July 14, 2025

On July 14, 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. Jeffrey T. 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, flowing style.

ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority



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DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

Agenda Meeting July 14, 2025

Call to Order and Roll Call

Requisitions to be considered

Requisition 25-27: TD Wealth Operations, \$12,500.00, the annual trustee fee of the 2007 Series

Requisition 25-28: Arthur J. Gallagher Risk Management Services, LLC, \$38,573.64, Officers' liability insurance premium

Requisition 25-29: CNA Insurance, \$593.00, auto insurance premium

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 JULY 14, 2025**

The Board of Directors of the Delaware Valley Regional Finance Authority, as duly advertised, held a public meeting, on July 14, 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. Jeffrey T. 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. Nasatir, seconded by Mr. Landau, the Board unanimously approved the Minutes of the Meeting of June 9, 2025.

Upon a motion of Mr. Solanki, seconded by Mr. McCarthy, the Board approved the payment of **Requisition 25-27**, by a vote of 4-0; Mr. Nasatir abstained.

Requisition 25-27: The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$12,500.00** to **TD Wealth Operations** for the annual trustee fee of the 2007 Series.

Upon a motion of Mr. Landau, seconded by Mr. McCarthy, the Board unanimously approved the payment of **Requisitions 25-28 and 25-29** as described below.

Requisition 25-28: The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$38,573.64** to **Arthur J. Gallagher Risk Management Services, LLC** for the premium for Officers' liability insurance policy.

Requisition 25-29: The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$593.00** to **CNA Insurance** for the premium on the DelVal auto insurance policy.

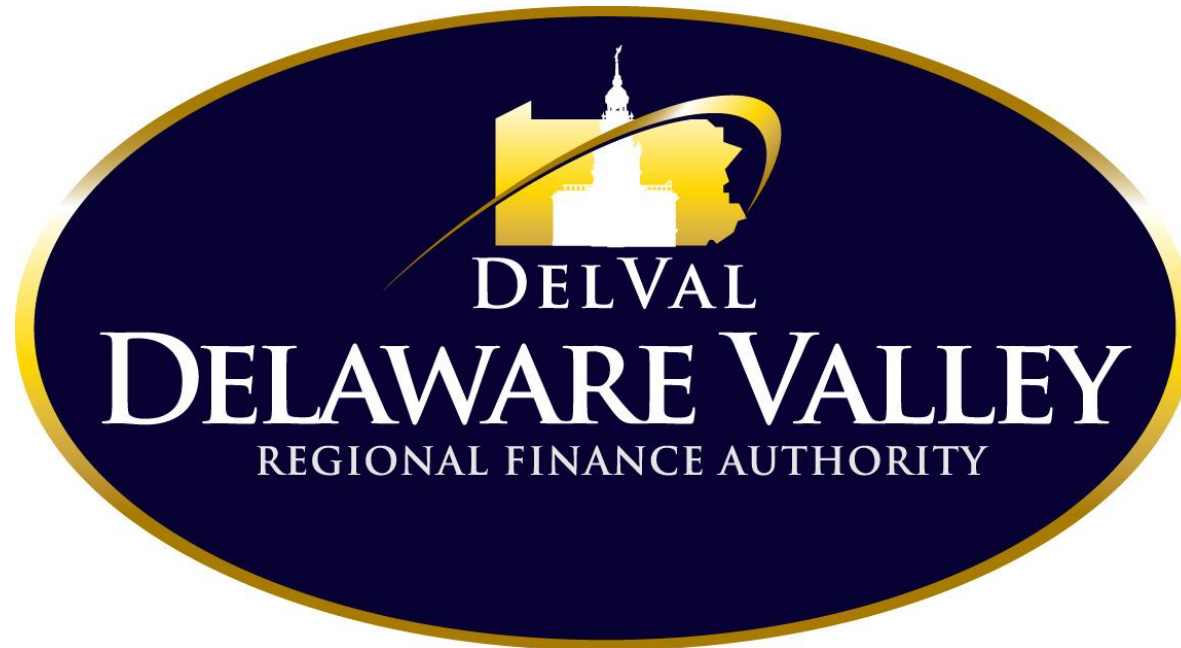
Jeffrey Calhoun presented the monthly Administrator's Report. Mr. Calhoun discussed the trend of interest rates, recent bonds issued in the Market Area, the composition of the Loan portfolio, compliance with the Covenant Agreement, and the market values of DelVal's swap transactions. He also discussed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

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



ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority

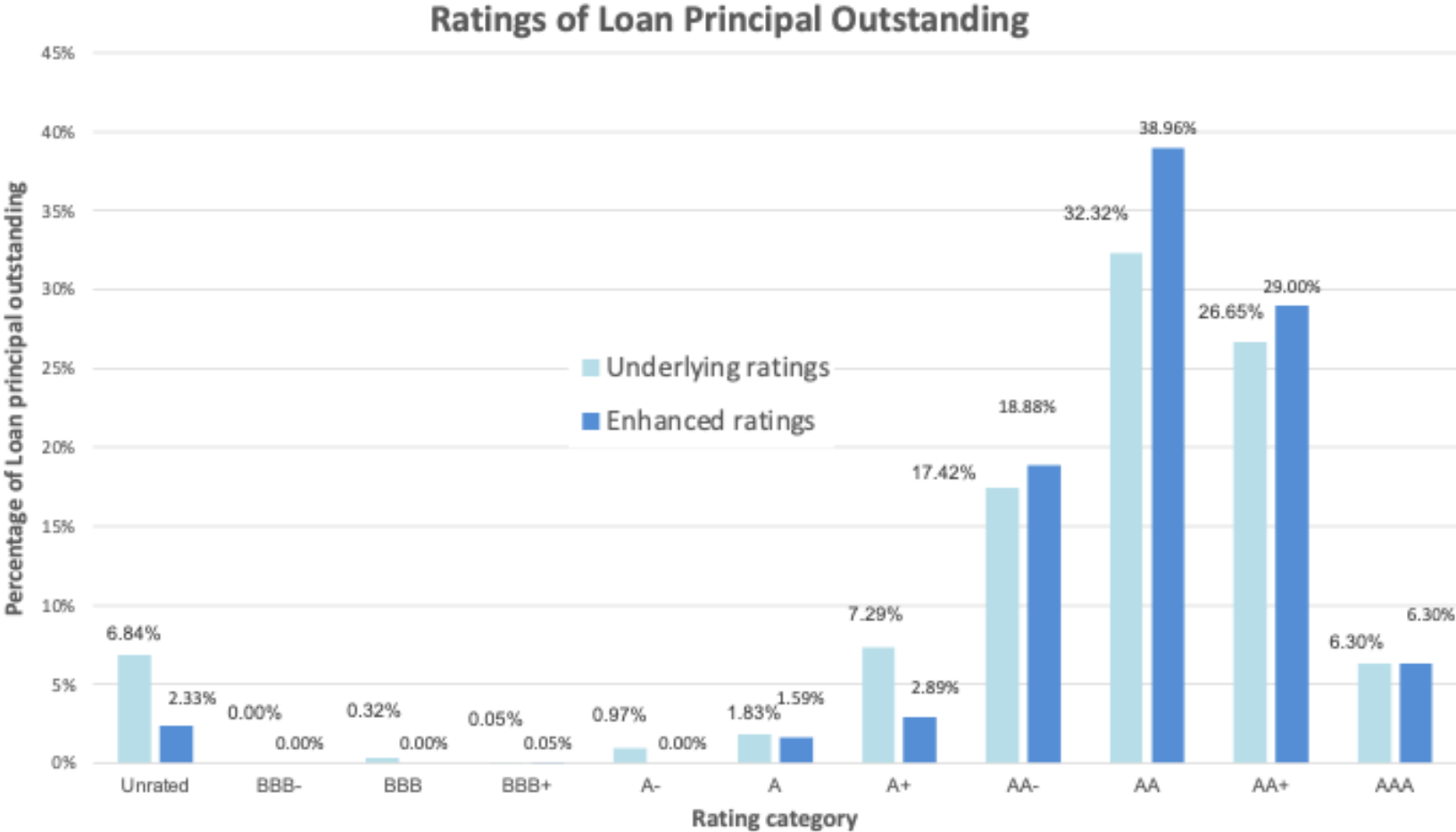
Delaware Valley Regional Finance Authority
Program Administrator's Report
July 14, 2025



Discussion Points

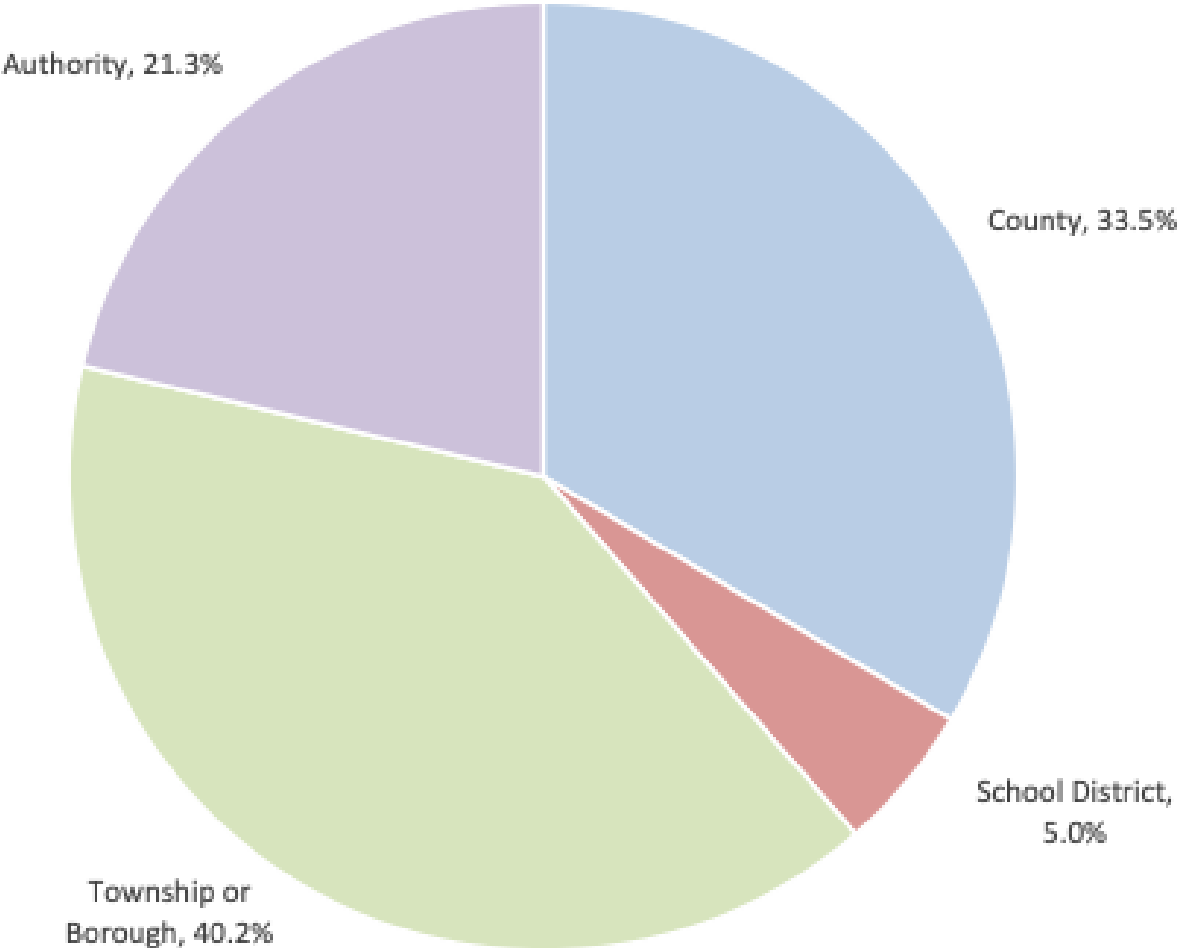
- Loan portfolio
- Market conditions
- Swap transactions and market values
- Financing activities

Loan Portfolio

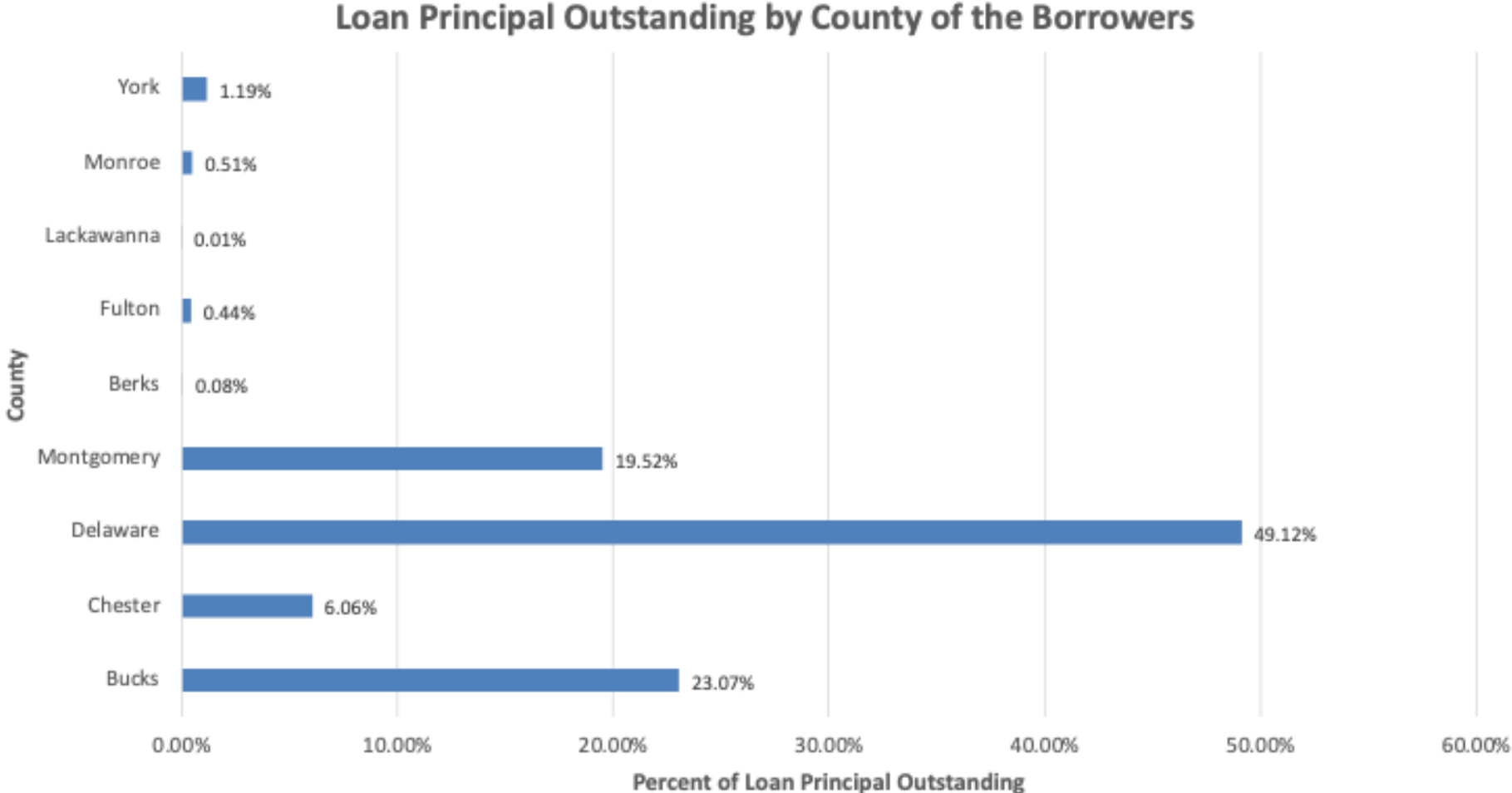


- Assured Guaranty and Build America Mutual insure 13.88% of the outstanding Loans.
- The weighted average underlying and enhanced rating of borrowers in the DeVal Loan Program is “AA”.

Loan Principal by Type of Local Government



Loan Principal by County of Borrower



97.8% of DeVal’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

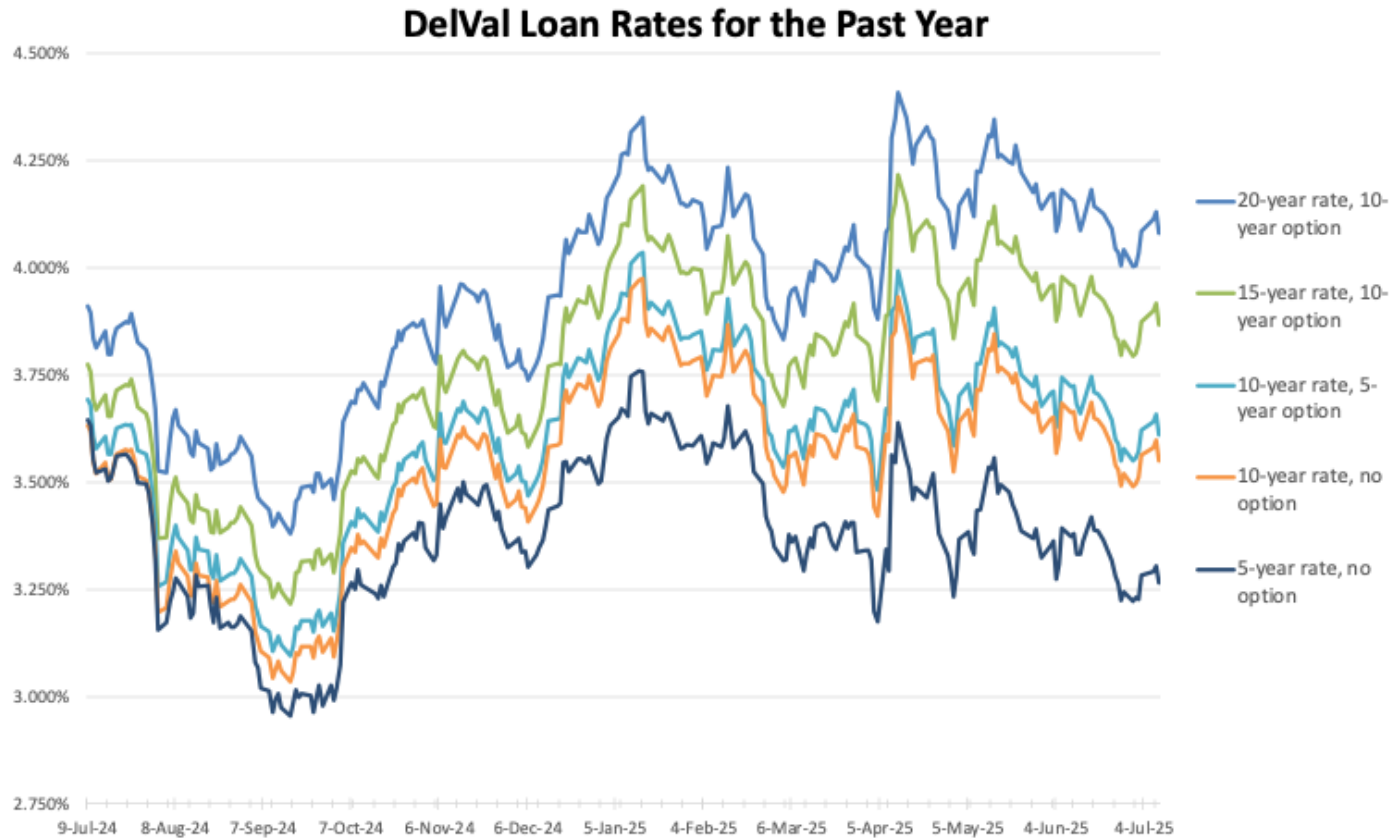
Delaware Valley Regional Finance Authority Loans Originated for the Year Ending June 30, 2025

<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	Marcus Hook Borough	Delaware	—	—	—	—	\$ 1,000,000	10-Sep-24
2	Aldan Borough	Delaware	BAM	—	—	—	4,000,000	26-Sep-24
3	Hatfield Borough	Montgomery	—	—	—	—	2,900,000	4-Nov-24
4	Upper Dublin Township	Montgomery	—	—	Aa1	—	10,000,000	8-Nov-24
5	Brookhaven Borough	Delaware	—	—	—	AA-	1,000,000	6-Feb-25
6	Upper Dublin Township	Montgomery	—	—	Aa1	—	11,400,000	11-Apr-25
7	Chadds Ford Township Sewer Authority	Delaware	—	—	—	—	300,000	17-Apr-25
8	Morrisville Borough	Bucks	BAM	—	—	—	1,625,000	16-May-25
9	Chalfont Borough	Bucks	—	—	—	—	350,000	13-Jun-25
	Total						<u>\$ 32,575,000</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,
- CARES and ARPA grants that displaced financings, and
- Uncertainty due to tariff policies.

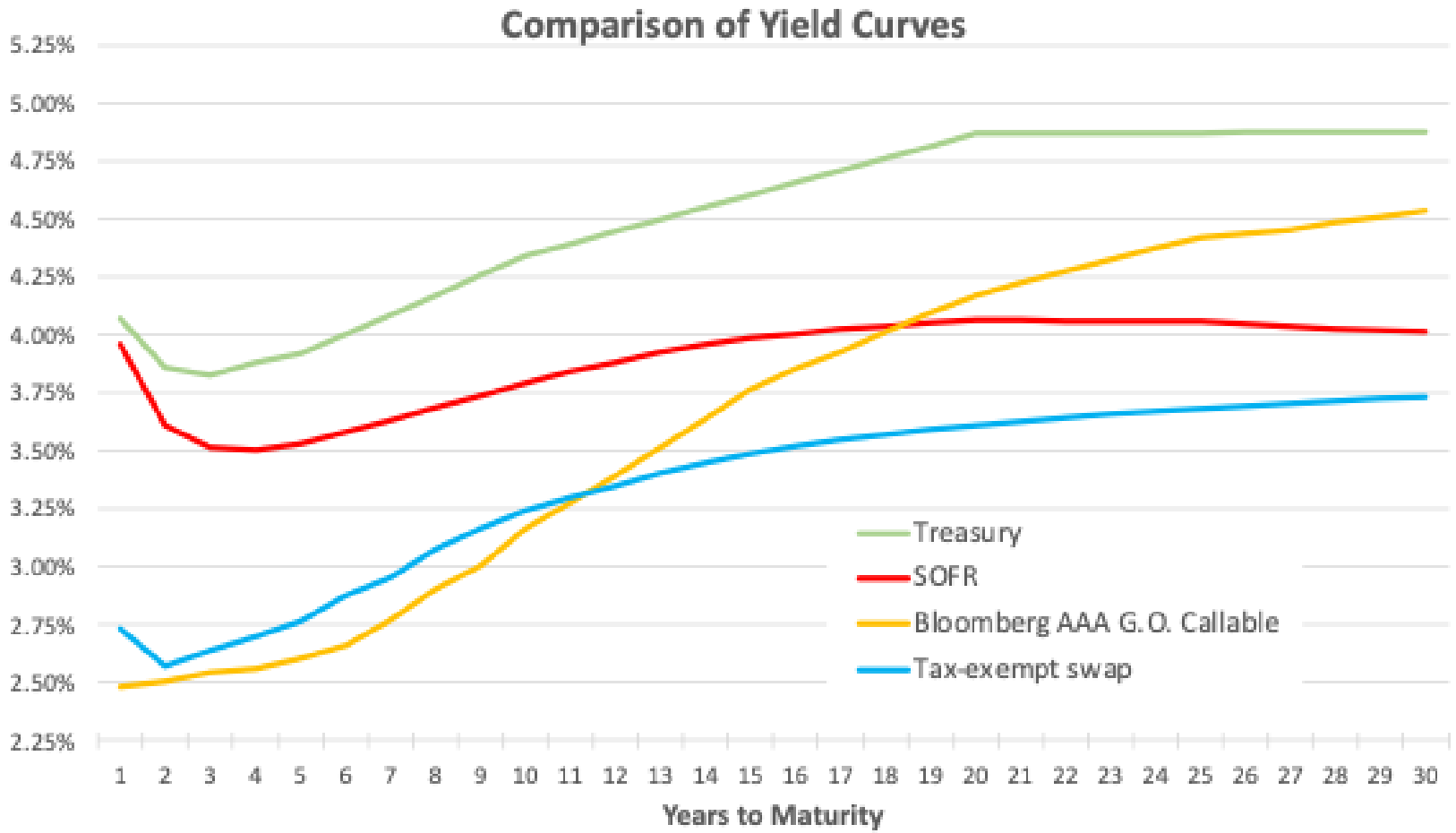
DeVal Loan Rates for the Past Year



<u>Loan Option</u>	<u>Average Loan Rate</u>			<u>Rate as of 9-Jul-25</u>
	<u>Past Year</u>	<u>Past 3-Months</u>	<u>Past 6-Months</u>	
20-year rate, 10-year option	3.94%	4.18%	4.13%	4.08%
15-year rate, 10-year option	3.77%	3.97%	3.94%	3.87%
10-year rate, 5-year option	3.60%	3.73%	3.74%	3.61%
10-year rate, no option	3.54%	3.67%	3.68%	3.55%
5-year rate, no option	3.38%	3.38%	3.44%	3.27%

- Interest rates have been volatile due to uncertainty surrounding tariffs, fiscal deficits, and the Federal Reserve Bank’s monetary policy.
- Rates declined slightly in June on the expectation that the economy was weakening and inflation was stable causing the Federal Reserve to reduce benchmark interest rates in response.
- Interest rate volatility and uncertainty will remain until the market has stable expectations going forward.

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 to 30-year maturity.

Market Update: Cost-effectiveness of DeVal Loans



- Bond Issuers have consistently paid a higher cost of financing than they would have with a comparable DeVal Loan.
- This comparison ignores the additional costs of issuance that the Bond Issuer would pay to refund the Bond Issue. DeVal assesses no fees to exercise an option and reset the rate.
- As a result, Bond Issuers pay a higher All-In True Interest Costs and will pay avoidable future costs of issuance.

*Based on actual weighted average spreads to "AAA" indices and actual issuance costs.

**Based on actual rates and issuance costs. The option is not likely to be economic when the Loan rate is under 2.50%.

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

The Average “AA” Bond Issuer over the past year paid \$1.1 million more debt service on a Bond Issue than It would have paid on a comparable DeVal Loan

<u>Bond issues in the Market Area*</u>	<u>Bonds in the "AA" Rating Category Sold in the Quarter Ended</u>				<u>Annual Total</u>
	<u>30-Sep-24</u>	<u>31-Dec-24</u>	<u>31-Mar-25</u>	<u>30-Jun-25</u>	
Number of issues	24	31	31	32	118
Average par amount	\$ 19,280,417	\$ 14,014,677	\$ 26,096,774	\$ 18,633,750	\$ 19,512,415
Weighted average rating	AA	AA	AA	AA	AA
Weighted average maturity (years)	11.47	13.90	16.89	15.86	14.97
Weighted costs of issuance (% of par amount)					
Bond issues in Market Area	1.394%	1.773%	1.653%	1.695%	1.634%
Less Comparable DeVal Loans**	0.575%	0.595%	0.577%	0.702%	0.612%
Savings from comparable DeVal Loan	0.820%	1.178%	1.076%	0.993%	1.023%
Weighted average All-In True Interest Cost					
Bond issues in Market Area	4.158%	4.302%	4.516%	4.836%	4.511%
Less Comparable DeVal Loans**	3.787%	4.099%	4.350%	4.479%	4.255%
Savings from comparable DeVal Loan	0.371%	0.203%	0.165%	0.357%	0.256%
Average debt service costs					
Bond issues in Market Area	\$ 29,938,397	\$ 22,570,814	\$ 46,823,298	\$ 33,398,325	\$ 33,376,995
Less Comparable DeVal Loans**	28,942,433	21,948,882	45,658,066	31,986,578	32,322,070
Savings from comparable DeVal Loan	\$ 995,964	\$ 621,932	\$ 1,165,231	\$ 1,411,747	\$ 1,054,925

* 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 Issues in DeVal's Market Area: All Bond Issuers Combined TTM Would Have Avoided Over \$259 Million of Debt Service with a DeVal Loan

<i>Month</i>	<i>Number of Bond Issues</i>	<i>Total Issuance</i>	<i>Total Cost of Bond Issue Over Comparable DeVal Loan</i>	<i>Total Cost of Bond Issue Over Comparable DeVal Loan and Avoided Costs</i>	<i>Total Cost of Bond Issue Over Optimized DeVal Loan</i>	<i>Total Cost of Bond Issue Over Optimized DeVal Loan and Avoided Costs</i>
June	14	\$ 184,325,000	\$ 18,369,845	\$ 20,997,722	\$ 29,468,504	\$ 32,096,380
May	9	354,835,000	16,650,501	19,280,812	31,454,622	34,707,075
April	15	305,985,000	13,441,465	17,074,080	24,123,274	27,755,889
March	13	249,040,000	17,881,522	22,179,341	30,969,643	35,267,462
February	13	408,835,000	16,479,085	21,624,048	32,838,132	37,983,095
January	10	220,475,000	1,836,055	5,274,647	9,813,018	13,251,610
December	6	94,850,000	1,489,623	2,307,062	2,855,269	3,672,707
November	11	117,095,000	4,533,889	6,221,640	7,461,039	9,148,789
October	19	269,750,000	13,358,638	17,292,360	23,429,272	27,362,995
September	15	285,395,000	6,378,184	7,809,999	10,244,729	11,676,543
August	8	199,585,000	13,395,281	15,137,162	18,370,201	20,112,083
July	6	85,970,000	3,147,032	4,328,579	4,955,259	6,136,806
Total	116	\$ 2,776,140,000	\$ 126,961,121	\$ 159,527,451	\$ 225,982,961	\$ 259,171,435

- The four comparisons of DeVal Loans to bond issues illustrate the different ways DeVal Loans save borrowers money.
- The consistent use of Original Issue Premium (OIP) in bond issuances, caused by selling bonds with higher coupons than yields, all but guarantees that refunding will occur in the future.
- A bond refunding incurs additional costs of issuance on a borrower, while a DeVal Loan rate reset does not (shown under the "... Avoided Costs" columns).

Bond Issue Comparison

**Bensalem Township School District
General Obligation Bonds, 2025 B Series
Comparison with DeVal Loan Rates on the Sale Date
June 10, 2025**

	<u>Actual</u>	<u>DeVal Loan*</u>
Sources of Funds		
Par Amount of Bonds	\$ 20,425,000.00	\$ 20,927,000.00
Original Issue Premium (Discount)	738,813.40	-
Total sources	\$ 21,163,813.40	\$ 20,927,000.00
Uses of Funds		
Project Costs	\$ 20,000,000.00	\$ 20,000,000.00
Capitalized Interest	895,969.72	790,796.43
Underwriting Fees	142,975.00	104,635.00
Other Issuance Costs	124,868.68	31,568.57
Total uses	\$ 21,163,813.40	\$ 20,927,000.00
Total debt service	\$ 36,941,644.72	\$ 35,251,468.19
DeVal debt service savings (costs)		\$ 1,690,176.53
All-In True Interest Cost (All-In TIC)	4.792%	4.402%
DeVal All-In TIC savings (costs)		0.390%
Weighted Average Maturity (years)	16.175	15.900
Costs of Issuance		
Underwriters' Fees	0.676%	
Other Costs	0.590%	
Total	1.266%	
Type of Sale:	Negotiated	
Underwriter:	Stifel	
Bond counsel:	Eastburn	
Advisor:	PFM	
Moody's Rating:	Aa3	

- Bensalem Township School District **paid \$1.7 million more debt service on its bonds** than a comparable DeVal Loan.
- The School District **paid \$2.7 million more debt service on its bonds** than an optimally structured DeVal Loan
- Factoring in the assumption of one bond refunding, **the School District will pay \$1.9 million more debt service** than a comparable DeVal Loan **or \$2.9 million more debt service** than an optimized DeVal Loan

Bond Issue Comparison

Willistown Township
General Obligation Bonds, 2025 Series
Comparison with DeVal Loan Rates on the Sale Date
June 30, 2025

	<i>Actual</i>	<i>DeVal Loan*</i>
Sources of Funds		
Par Amount of Bonds	\$ 11,720,000.00	\$ 12,287,000.00
Original Issue Premium (Discount)	660,518.15	-
Total sources	\$ 12,380,518.15	\$ 12,287,000.00
Uses of Funds		
Project Costs	\$ 12,000,000.00	\$ 12,000,000.00
Capitalized Interest	221,377.78	194,081.57
Underwriting Fees	82,040.00	61,435.00
Other Issuance Costs	77,100.37	31,483.43
Total uses	\$ 12,380,518.15	\$ 12,287,000.00
Total debt service	\$ 21,596,377.78	\$ 20,728,560.97
DeVal debt service savings (costs)		\$ 867,816.81
All-In True Interest Cost (All-In TIC)	4.628%	4.284%
DeVal All-In TIC savings (costs)		0.344%
Weighted Average Maturity (years)	16.854	16.431
Costs of Issuance		
Underwriters' Fees	0.663%	
Other Costs	0.623%	
Total	1.285%	
Type of Sale:	Negotiated	
Underwriter:	Stifel	
Bond counsel:	Lamb McErlane	
Advisor:	***	
Moody's Rating:	Aaa	

- Willistown Township **paid \$870 thousand more debt service on its bonds** than a comparable DeVal Loan.
- The Township **paid \$1.5 million more debt service on its bonds** than an optimally structured DeVal Loan
- Factoring in the assumption of one bond refunding, **the Township will pay \$1.0 million more debt service** than a comparable DeVal Loan **or \$1.7 million more debt service** than an optimized DeVal Loan

Market Value of Interest Rate Swap Transactions

Market Value of Interest Rate Swaps by Series

	Rating		Notional Amount	Market Value 30-Jun-25
	Moody's	S&P		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 11,660,000	\$ 639,867
1998 Series	A1	***	179,890,000	13,983,970
2002 Series	A1	A+	125,000,000	13,752,990
Master Series	A1	A+	585,150,000	(4,967,515)
Total Bond Swaps			<u>901,700,000</u>	<u>23,409,312</u>
<i>Loan swaps</i>				
1997 Series	A1	***	1,605,000	12,872
1998 Series	A1	***	90,940,000	1,474,929
2002 Series	A1	A+	103,658,000	2,559,245
Master Series	A1	A+	702,829,600	58,909,636
Total Loan Swaps			<u>899,032,600</u>	<u>62,956,682</u>
<i>Investment swaps</i>				
			<u>21,700,000</u>	<u>(260,339)</u>
TOTAL			<u>\$ 1,822,432,600</u>	<u>\$ 86,105,655</u>

Market Value of Interest Rate Swaps by Counterparty

	Rating		Notional Amount	Market Value 30-Jun-25
	Moody's	S&P		
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 943,315,200	\$ 64,396,358
Barclays Bank PLC	A1	A+	18,154,000	855,258
Citibank	Aa3	A+	110,050,000	(60,491)
PNC Bank	A1	A	364,033,000	13,875,058
Royal Bank of Canada	Aa1	AA-	386,738,400	7,037,893
Toronto-Dominion Bank	Aa2	A+	142,000	1,580
TOTAL			<u>\$ 1,822,432,600</u>	<u>\$ 86,105,655</u>

Financing Activities

Extraordinary Mandatory Redemption of \$40,085,000 of the 1998 Series on August 1, 2025

Extension or replacement 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