



*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 August 11, 2025**

On August 11, 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 and 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, flowing style.

ANAND D. SOLANKI  
Secretary  
Delaware Valley Regional Finance Authority



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## **DELAWARE VALLEY REGIONAL FINANCE AUTHORITY**

### **Agenda Meeting August 11, 2025**

#### **Call to Order and Roll Call**

#### **Requisitions to be considered**

- a) **Requisition 25-30:** Calhoun Baker Inc., \$820.00, Reimbursement of costs to advertise in the Directory and Annual Conference Program of the Pennsylvania Municipal Authorities Association
- b) **Requisition 25-31:** Computershare, \$85,000.00, annual trustee fee
- c) **Requisition 25-32:** TD Wealth Operations, \$12,500.00, annual trustee fee of the 1997 Series
- d) **Requisition 25-33:** TD Wealth Operations, \$12,500.00, annual trustee fee of the 2002 Series
- e) **Requisition 25-34:** TD Wealth Operations, \$12,500.00, annual trustee fee of the 2018 Series
- f) **Requisition 25-35:** TD Wealth Operations, \$12,500.00, annual trustee fee of the 2022 D and E Series
- g) **Requisition 25-36:** S&P Global Ratings, \$8,100.00, annual surveillance fee of the 2024 B Series

#### **Resolutions to be considered**

- a) **Resolution 2025 -19:** Authorizes the Administrator to expend up to \$10,000 in 2025 to join state and regional associations of school board, county, township, borough, and authority organizations and to advertise in their publications.

#### **Program Administrator's Report**

- a) Loan portfolio
- b) Market conditions
- c) Swap transactions and market values
- d) Financing activities
- e) Rebate calculations for the 2020 BCD and 2021 A Series
- f) Marketing plan



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**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY  
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS ON AUGUST 11, 2025**

The Board of Directors of the Delaware Valley Regional Finance Authority, as duly advertised, held a public meeting, on August 11, 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. Landau, seconded by Mr. Solanki, the Board unanimously approved the Minutes of the Meeting of July 11, 2025.

Upon a motion of Mr. McCarthy, seconded by Mr. Solanki, the Board unanimously approved the payment of **Requisition 25-30** as described below.

**Requisition 25-30:** The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$820.00** to **Calhoun Baker Inc.** for the reimbursement costs to advertise in the Directory and Annual Conference Program of the Pennsylvania Municipal Authorities Association.

Upon a motion of Mr. McCarthy, seconded by Mr. Solanki, the Board unanimously approved the payment of **Requisition 25-31** as described below.

**Requisition 25-31:** The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$85,000.00** to **Computershare** for the annual trustee fee.

Upon a motion of Mr. Solanki, seconded by Mr. McCarthy, the Board approved the payment of **Requisitions 25-32 to 25-35**, by a vote of 4-0; Mr. Nasatir abstained.

**Requisition 25-32:** 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 1997 Series.

**Requisition 25-33:** 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 2002 Series.

**Requisition 25-34:** 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 2018 Series.

**Requisition 25-35:** 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 2022 D and E Series.

Upon a motion of Mr. Nasatir, seconded by Mr. McCarthy, the Board unanimously approved the payment of **Requisition 25-36** as described below.

**Requisition 25-36:** The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$8,100.00** to **S&P Global Ratings** for the annual surveillance fee of the 2024 B Series.

Upon a motion of Mr. McCarthy, seconded by Mr. Nasatir, the Board unanimously adopted the resolution below.

**Resolution 25-19:** The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the Administrator to expend up to \$10,000 in 2025 to join state and regional associations of school board, county, township, borough, and authority organizations and to advertise in their publications.

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 plans to issue a new Bond Series.

Upon a motion of Mr. Nasatir, seconded by Mr. McCarthy, 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*  
*August 11, 2025*

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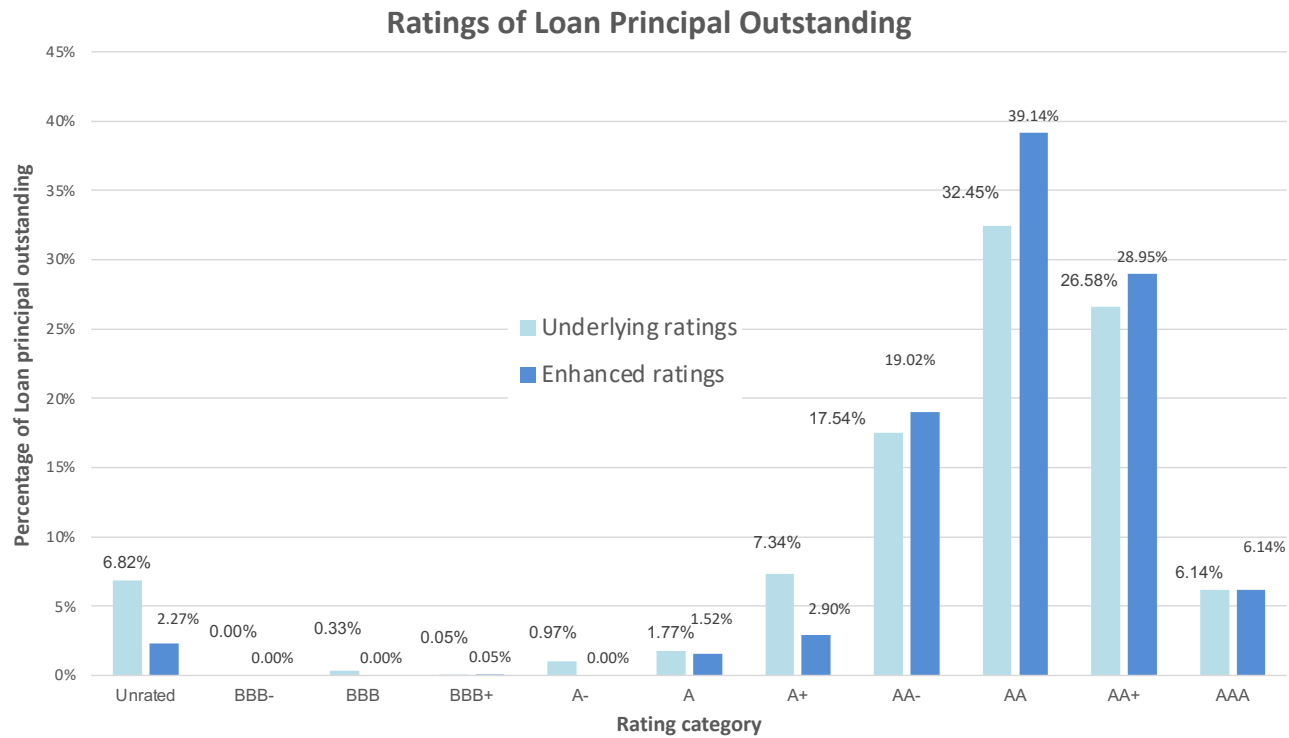


## Discussion Points

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- Loan portfolio
- Market conditions
- Swap transactions and market values
- Financing activities
- Rebate calculations for the 2020 BCD and 2021 A Series
- Marketing

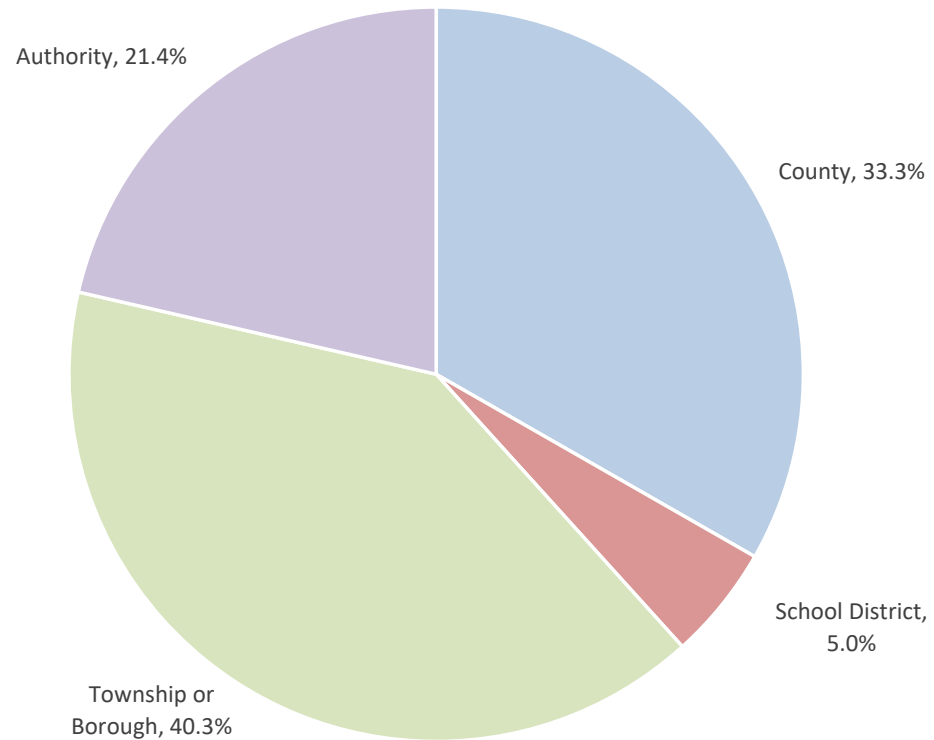
# Loan Portfolio



- Assured Guaranty and Build America Mutual insure 13.98% of the outstanding Loans.
- The weighted average underlying and enhanced rating of borrowers in the DelVal Loan Program is “AA”.

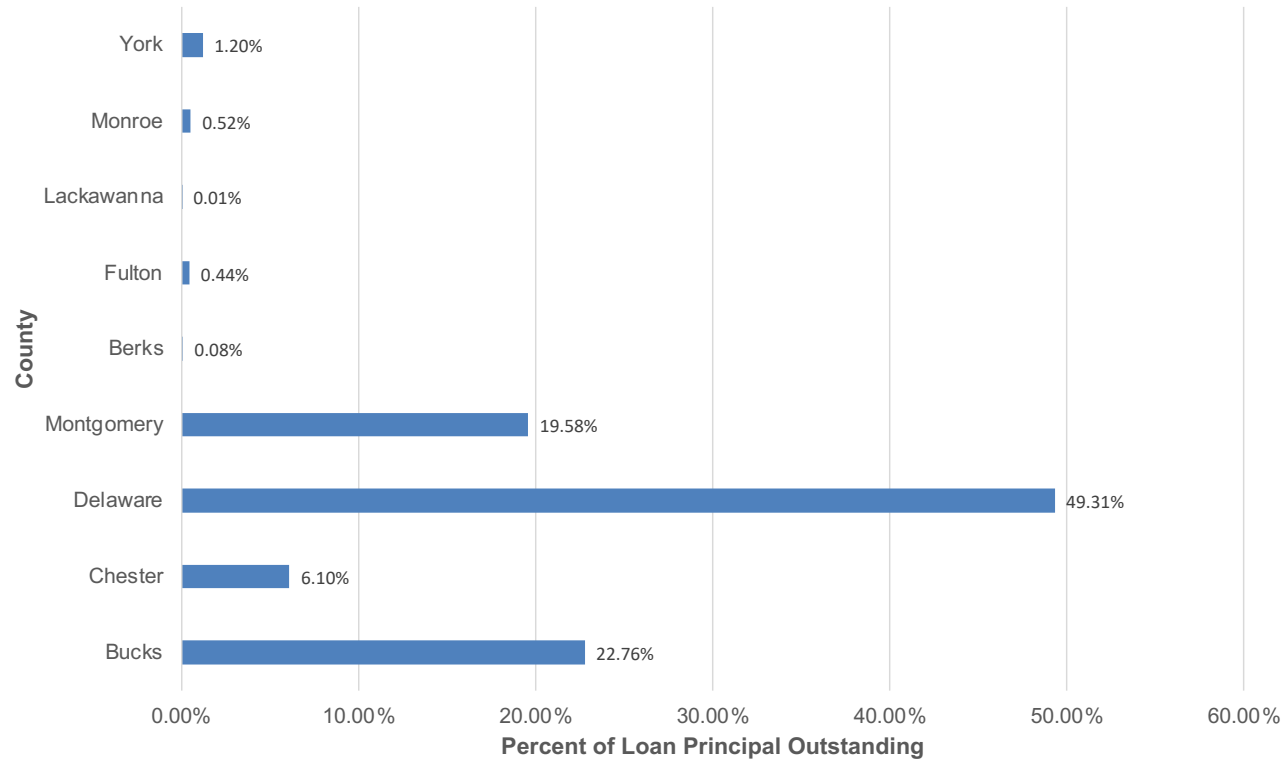
## Loan Principal by Type of Local Government

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## Loan Principal by County of Borrower

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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

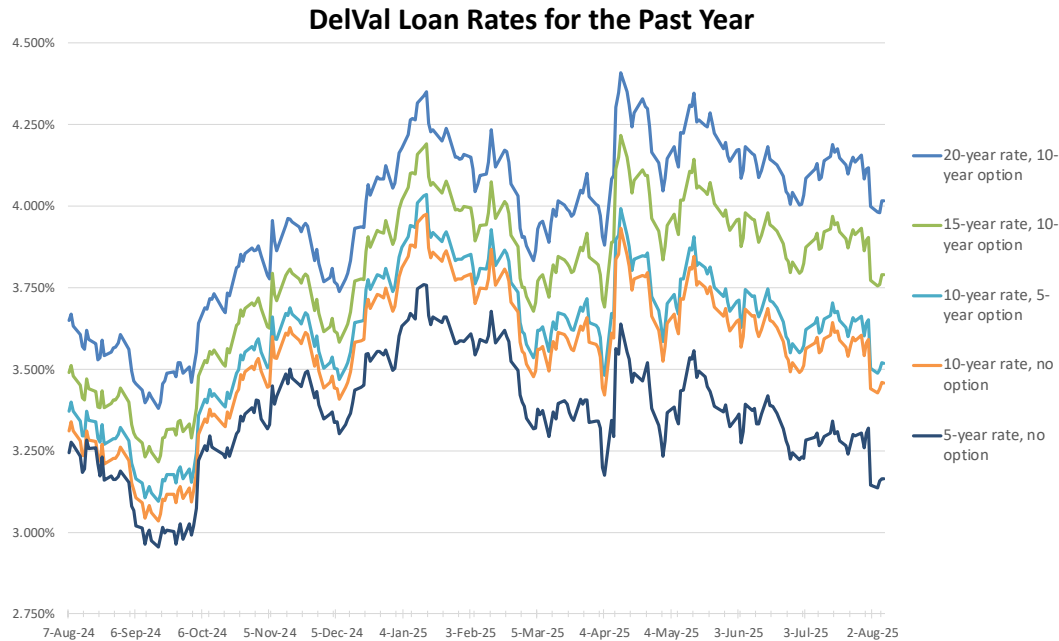
### Delaware Valley Regional Finance Authority Loans Originated for the Year Ending July 31, 2025

<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&amp;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.

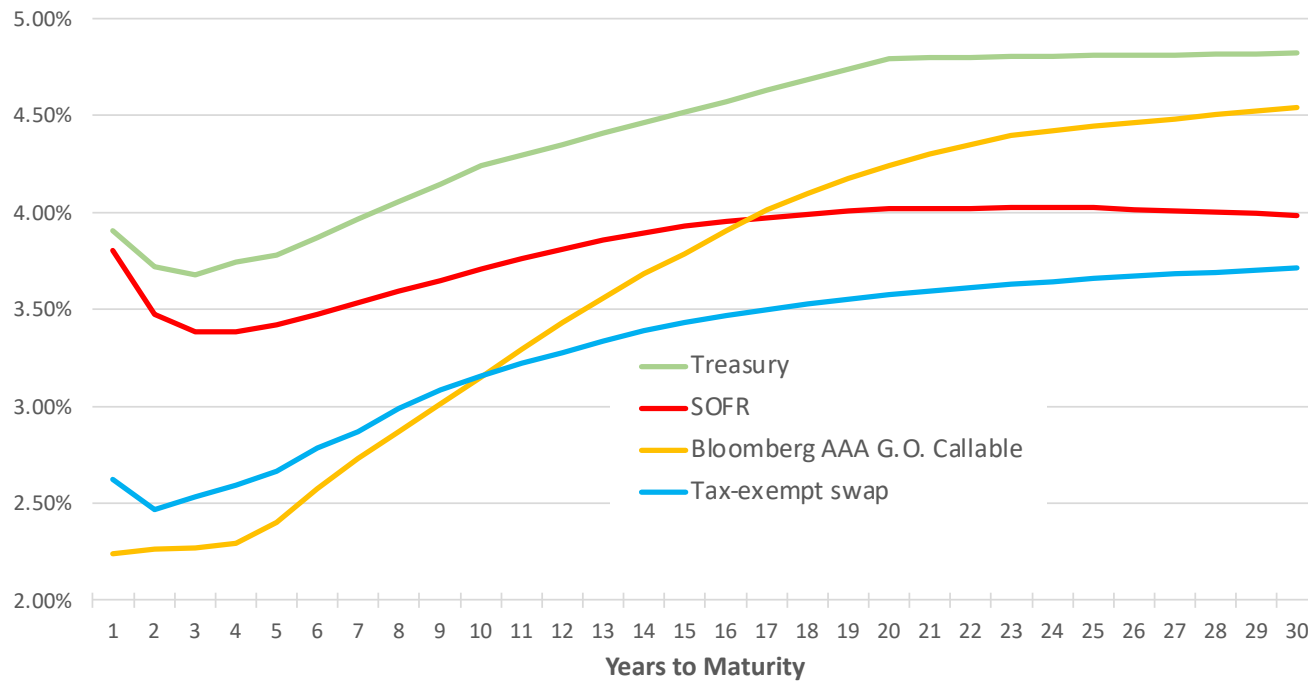
## DeVal Loan Rates for the Past Year



<u>Loan Option</u>	<u>Average Loan Rate</u>			<u>Rate as of 7-Aug-25</u>
	<u>Past Year</u>	<u>Past 3-Months</u>	<u>Past 6-Months</u>	
20-year rate, 10-year option	3.96%	4.14%	4.11%	4.02%
15-year rate, 10-year option	3.79%	3.92%	3.91%	3.79%
10-year rate, 5-year option	3.61%	3.67%	3.69%	3.52%
10-year rate, no option	3.55%	3.61%	3.63%	3.46%
5-year rate, no option	3.36%	3.33%	3.37%	3.16%

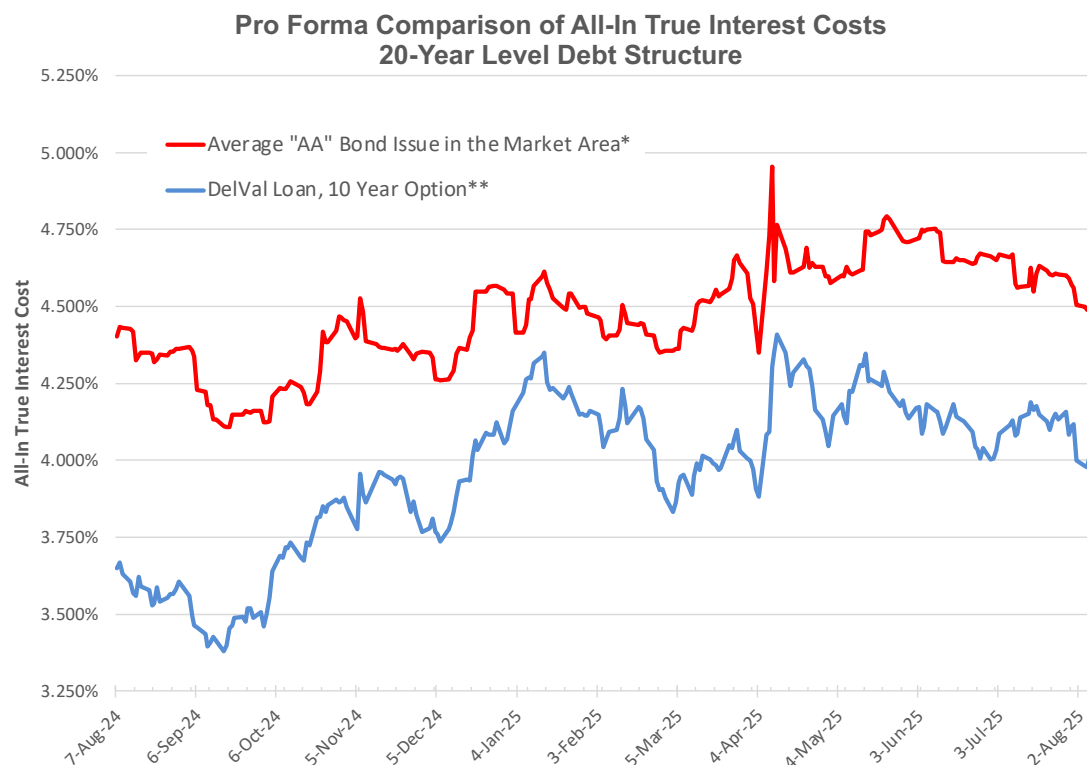
- Interest rates have been volatile within a range due to uncertainty surrounding tariffs, fiscal deficits, and the Federal Reserve Bank's monetary policy.
- Rates declined slightly in July on weakening jobs and continuing unemployment data while inflation was stable to modestly up causing the Federal Reserve to maintain its benchmark interest rates.
- 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 after the 2-year maturity.

## Market Update: Cost-effectiveness of DeVal Loans



\*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.**

- 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 more in debt service (a higher All-In True Interest Costs) and will pay avoidable future costs of issuance.

## 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>	<i>Bonds in the "AA" Rating Category Sold in the Quarter Ended</i>				<i>Annual Total</i>
	<u>31-Oct-24</u>	<u>31-Jan-25</u>	<u>30-Apr-25</u>	<u>31-Jul-25</u>	
Number of issues	33	25	35	26	119
Average par amount	\$ 18,159,697	\$ 16,897,000	\$ 24,031,000	\$ 19,198,269	\$ 19,848,193
Weighted average rating	AA	AA	AA	AA	AA
Weighted average maturity (years)	13.14	13.55	16.33	17.24	15.21
Weighted costs of issuance (% of par amount)					
Bond issues in Market Area	1.503%	1.652%	1.651%	1.673%	1.618%
Less Comparable DeVal Loans**	<u>0.574%</u>	<u>0.580%</u>	<u>0.591%</u>	<u>0.716%</u>	<u>0.611%</u>
Savings from comparable DeVal Loan	0.929%	1.072%	1.061%	0.957%	1.008%
Weighted average All-In True Interest Cost					
Bond issues in Market Area	4.242%	4.331%	4.582%	4.932%	4.551%
Less Comparable DeVal Loans**	<u>3.900%</u>	<u>4.273%</u>	<u>4.350%</u>	<u>4.529%</u>	<u>4.283%</u>
Savings from comparable DeVal Loan	0.342%	0.058%	0.232%	0.403%	0.268%
Average debt service costs					
Bond issues in Market Area	\$ 29,157,012	\$ 27,339,742	\$ 42,801,269	\$ 35,979,445	\$ 34,278,865
Less Comparable DeVal Loans**	<u>28,134,858</u>	<u>26,987,263</u>	<u>41,480,522</u>	<u>34,202,743</u>	<u>33,144,718</u>
Savings from comparable DeVal Loan	<u>\$ 1,022,155</u>	<u>\$ 352,479</u>	<u>\$ 1,320,747</u>	<u>\$ 1,776,703</u>	<u>\$ 1,134,147</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 Issues in DeVal's Market Area: All Bond Issuers Combined TTM Would Have Avoided Over \$277 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>
July	7	\$ 145,440,000	\$ 13,469,048	\$ 15,160,139	\$ 22,734,581	\$ 24,267,710
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
<b>Total</b>	<b>140</b>	<b>\$ 2,835,610,000</b>	<b>\$ 137,283,136</b>	<b>\$ 170,359,012</b>	<b>\$ 243,762,283</b>	<b>\$ 277,302,339</b>

- 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

**Delaware County Vocational-Technical School Authority  
Lease Revenue Bonds, 2025 Series  
Comparison with DeVal Loan Rates on the Sale Date  
July 1, 2025**

	<u>Actual</u>	<u>DeVal Loan*</u>
<b>Sources of Funds</b>		
Par Amount of Bonds	\$ 39,815,000.00	\$ 41,138,000.00
Original Issue Premium (Discount)	<u>1,779,464.65</u>	-
Total sources	<u>\$ 41,594,464.65</u>	<u>\$ 41,138,000.00</u>
<b>Uses of Funds</b>		
Project Costs	\$ 40,896,479.56	\$ 40,896,479.56
Refunding Costs	-	-
Underwriting Fees	288,658.75	205,690.00
Other Issuance Costs	<u>409,326.34</u>	<u>35,830.44</u>
Total uses	<u>\$ 41,594,464.65</u>	<u>\$ 41,138,000.00</u>
<i>Total debt service</i>	\$ 82,280,835.94	\$ 76,508,250.41
<b>DeVal debt service savings (costs)</b>	<b>\$ 5,772,585.53</b>	
<i>All-In True Interest Cost (All-In TIC)</i>	5.125%	4.534%
<b>DeVal All-In TIC savings (costs)</b>		<b>0.592%</b>
<i>Weighted Average Maturity (years)</i>	19.799	19.353
<b>Costs of Issuance</b>		
Underwriters' Fees	0.694%	
Other Costs	<u>0.984%</u>	
Total	1.678%	
<i>Type of Sale:</i>	Negotiated	
<i>Underwriter:</i>	RBC	
<i>Bond counsel:</i>	Taylor Duma	
<i>S&amp;P Rating:</i>	AA	

- The DCIU paid **\$5.8 million more debt service on its bonds** than a comparable DeVal Loan.
- The DCIU paid **\$8.6 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 \$6.3 million more debt service than a comparable DeVal Loan or \$9.2 million more debt service than an optimized DeVal Loan**

## Market Value of Interest Rate Swap Transactions

### Market Value of Interest Rate Swaps

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 31-Jul-25</u>
	<u>Moody's</u>	<u>S&amp;P</u>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 6,550,000	\$ 327,157
1998 Series	A1	***	179,890,000	10,146,154
2002 Series	A1	A+	125,000,000	12,814,786
Master Series	A1	A+	<u>585,150,000</u>	<u>(6,298,601)</u>
Total Bond Swaps			<u>896,590,000</u>	<u>16,989,496</u>
<i>Loan swaps</i>				
1997 Series	A1	***	1,605,000	14,341
1998 Series	A1	***	87,243,000	1,681,827
2002 Series	A1	A+	103,658,000	2,817,641
Master Series	A1	A+	<u>700,417,600</u>	<u>62,002,638</u>
Total Loan Swaps			<u>892,923,600</u>	<u>66,516,447</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(289,772)</u>
TOTAL			<u>\$ 1,811,213,600</u>	<u>\$ 83,216,171</u>

### Market Value of Interest Rate Swaps

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 31-Jul-25</u>
	<u>Moody's</u>	<u>S&amp;P</u>		
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 938,127,200	\$ 61,353,822
Barclays Bank PLC	A1	A+	18,139,000	935,260
Citibank	Aa3	A+	110,050,000	27,817
PNC Bank	A1	A	358,017,000	14,719,819
Royal Bank of Canada	Aa1	AA-	386,738,400	6,177,922
Toronto-Dominion Bank	Aa2	A+	<u>142,000</u>	<u>1,531</u>
TOTAL			<u>\$ 1,811,213,600</u>	<u>\$ 83,216,171</u>

## Financing Activities

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Extraordinary Mandatory Redemption of \$40,085,000 of the 1998 A 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

Extension or replacement of TD Letter-of-Credit scheduled to terminate on June 1, 2026, that secures the remarketing of the \$75,000,000 2020 B Series

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