



*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 October 6, 2025

On October 6, 2025, at the Montgomery County Commissioners' Board Room, 425 Swede Street, One Montgomery Plaza, Norristown, PA 19401, 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, flowing style.

ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority



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DELAWARE VALLEY REGIONAL FINANCE AUTHORITY

Agenda Meeting October 6, 2025

Call to Order and Roll Call

Requisitions to be considered

- a) **Requisition 25-41** Calhoun Baker Inc., \$2,000.00, Reimbursement of costs for the Chester County Association of Township Officials membership

Resolutions to be considered

- a) **Resolution 25-21:** Approve Loan of up to \$2,500,000 to the Aston Ambulance Authority, Delaware County, to fund start-up costs of the Authority and the purchase ambulance vehicles
- b) **Resolution 25-22:** Approve Loan of up to \$5,500,000 to the Township of Upper Providence, Delaware County, to fund the acquisition of land, engineering and planning for construction projects, construction of and improvements to Township buildings, parks, and open space, acquisition of software, road paving and sidewalk installation projects, construction of and improvements to stormwater facilities, costs allocated to a fire truck, and reimbursement of expenditures on the 2025 Project

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 OCTOBER 6, 2025**

The Board of Directors of the Delaware Valley Regional Finance Authority, as duly advertised, held a public meeting, on October 6, 2025, at the Montgomery County Commissioners' Board Room, 425 Swede Street, One Montgomery Plaza, Norristown, PA 19401.

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. Landau, seconded by Mr. Nasatir, the Board unanimously approved the Minutes of the Meeting of [September 8, 2025](#).

Upon a motion of Mr. Landau, seconded by Mr. McCarthy, the Board unanimously approved the payment of **Requisition 25-41**.

Requisition 25-41: The Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the payment of **\$2,000.00** to **Calhoun Baker Inc.** for reimbursement of the Chester County Association of Township Officials sponsorship costs.

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

Resolution 25-21: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby approves a Loan to the **Aston Ambulance Authority**, Delaware County, in an amount not to exceed **\$2,500,000 for acquisition of vehicles and equipment and for construction and leasehold improvements**; approves the form of the Interest Rate Management Plan; and hereby authorizes and directs the execution and delivery of the Loan documents.

Upon a motion of Mr. Landau, seconded by Mr. Solanki, the Board unanimously adopted the resolution below.

Resolution 25-22: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby approves a Loan to the **Township of Upper Providence**, Delaware County, in an amount not to exceed **\$5,500,000 to fund the acquisition of land, engineering and planning for construction projects, construction of and improvements to Township buildings, parks, and open space, acquisition of software, road paving and sidewalk**

installation projects, construction of and improvements to stormwater facilities, costs allocated to a fire truck, and reimbursement of expenditures on the 2025 Project; approves the form of the Interest Rate Management Plan; and hereby authorizes and directs the execution and delivery of the Loan documents.

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 the status of the extension of the termination dates of the 2007 B Series and 2020 D Series Letters of Credit, rebate calculations, plans to issue a new Bond Series, and implementation of the marketing plan.

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



ANAND D. SOLANKI
Secretary
Delaware Valley Regional Finance Authority

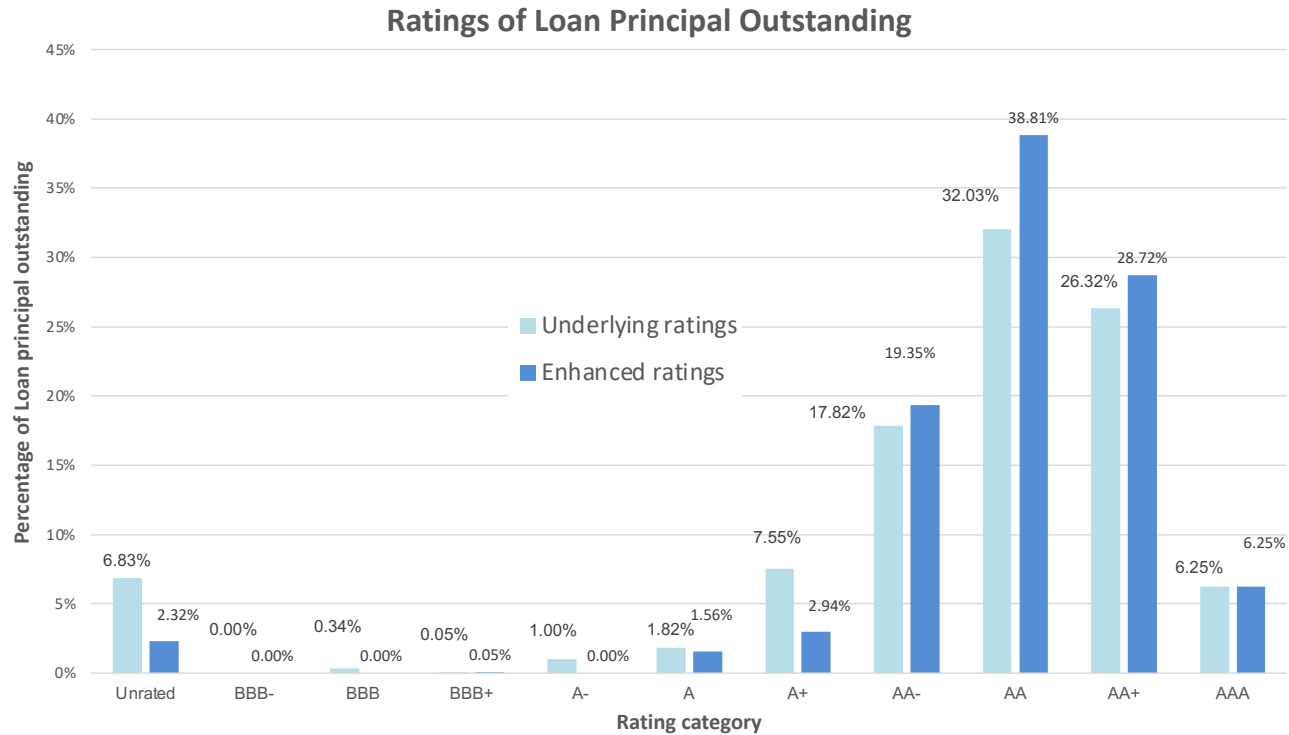
Delaware Valley Regional Finance Authority
Program Administrator's Report
October 6, 2025



Discussion Points

- Loan portfolio
- Market conditions
- Swap transactions and market values
- Extension of 2007 B Series and 2020 D Series Letters of Credit
- Issuance of 2025 A and B Series
- Rebate calculations of 2021 A Series and 2020 B,C, and D Series
- Marketing with the trade associations: PMAA, PSATS, CCATO, DVASBO

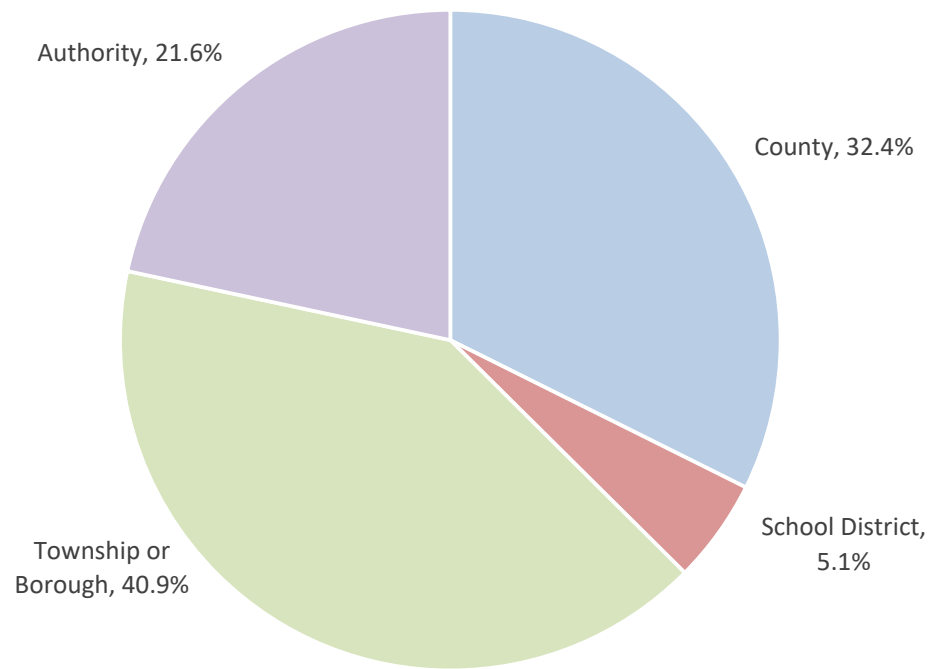
Loan Portfolio – Ratings of Borrowers



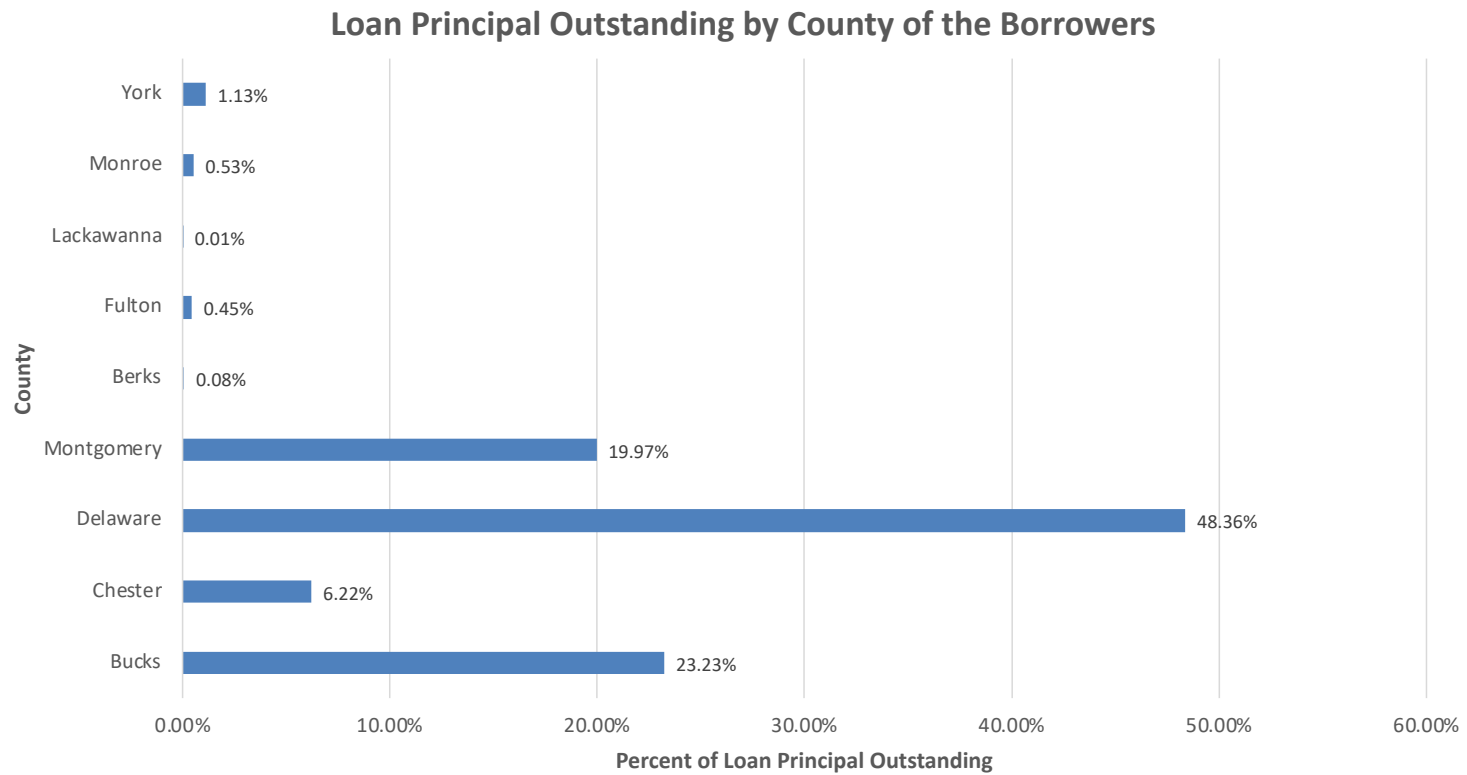
- Assured Guaranty and Build America Mutual insure 14.12% of the outstanding Loans.
- The weighted average underlying and enhanced rating of borrowers in the DelVal Loan Program is “AA”.

Loan Portfolio – Type of Borrowers

Loan Principal Outstanding by Type of Borrower



Loan Portfolio - County of Borrower



97.8% of Loans are to borrowers in Bucks, Chester, Delaware, and Montgomery Counties, the wealthiest, most diversified, and most stable region in the Commonwealth.

Loan Origination

Loans Originated for the Year Ending September 30, 2025

<u>No.</u>	<u>Loans Closed</u>	<u>County</u>	<u>Underlying or Guarantor Rating</u>			<u>Amount</u>	<u>Closing</u>
			<u>Guarantor</u>	<u>Moody's</u>	<u>S&P</u>		
1	Hatfield Borough	Montgomery	--	--	--	\$ 2,900,000	4-Nov-24
2	Upper Dublin Township	Montgomery	--	Aa1	--	10,000,000	8-Nov-24
3	Brookhaven Borough	Delaware	--	--	AA-	1,000,000	6-Feb-25
4	Upper Dublin Township	Montgomery	--	Aa1	--	11,400,000	11-Apr-25
5	Chadds Ford Township Sewer Authority	Delaware	Chadds Ford Township	--	--	300,000	17-Apr-25
6	Morrisville Borough	Bucks	BAM	--	AA	1,625,000	16-May-25
7	Chalfont Borough	Bucks	--	--	--	350,000	13-Jun-25
	Total					<u>\$ 27,575,000</u>	

Applications and Loans in Process as of September 30, 2025

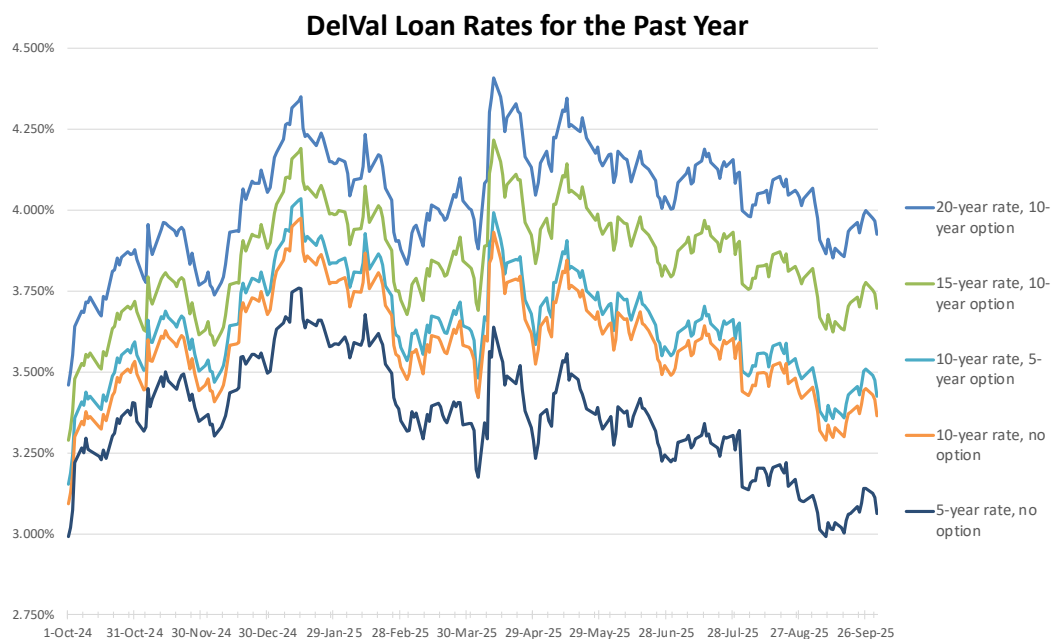
<u>No.</u>	<u>Loans in Process</u>	<u>County</u>	<u>Underlying or Guarantor Rating</u>			<u>Amount*</u>	<u>Scheduled Closing*</u>
			<u>Guarantor</u>	<u>Moody's</u>	<u>S&P</u>		
1	Marlborough Township	Montgomery	--	--	--	\$ 4,228,000	10-Nov-25
2	Aston Ambulance Authority	Delaware	Aston Township	--	AA-	2,000,000	18-Nov-25
3	Upper Providence Township	Delaware	--	--	AA	5,000,000	17-Dec-25
	Total					<u>\$ 11,228,000</u>	

* Preliminary, subject to change.

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 and reduce refunding opportunities, and
- CARES and ARPA grants that displaced financings

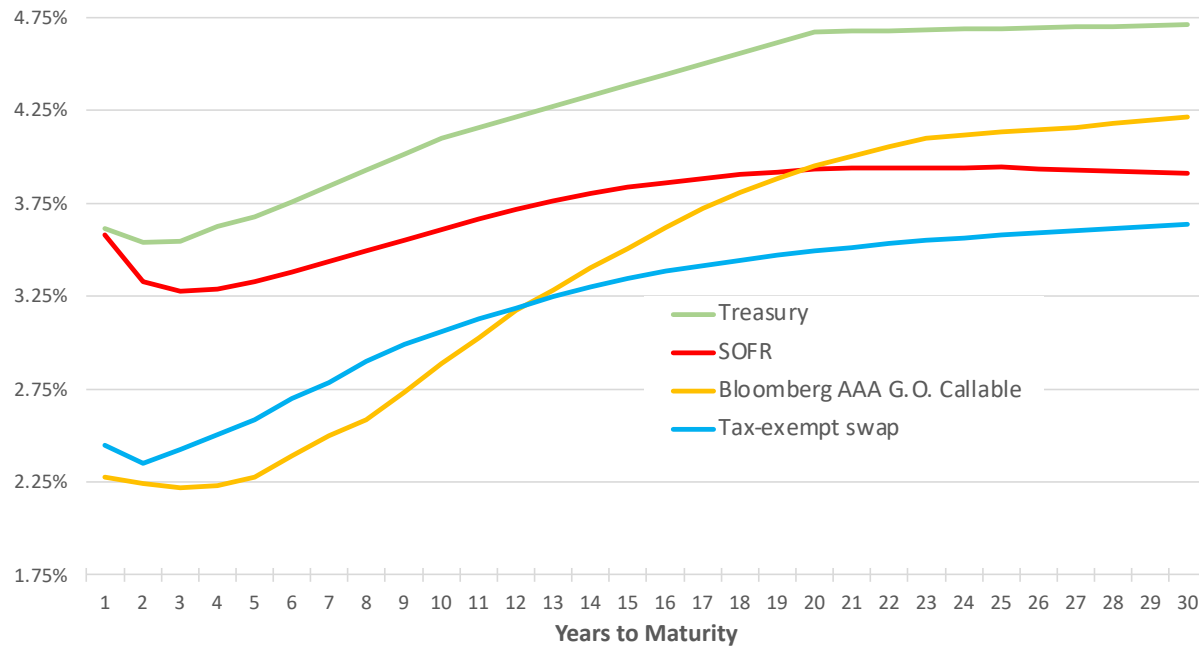
DeVal Loan Rates



- Interest rates have remained rangebound as the market waits for more economic data that show the effects of the uncertainty surrounding tariffs, fiscal deficits, and the Federal Reserve Bank's monetary policy.
- Rates increased initially after the FOMC reduced its benchmark rates by 0.25%, the market had already discounted the cut.
- The FOMC will continue to be cautious with future rate cuts, even if cost inflation remains modest. While the issue does not earn many headlines, asset inflation has been a major concern of the FOMC since 2008, and particularly since 2020, following the bail-out of the repo market and corporate debt market. The interest rate reductions encourage riskier investments, greater leverage, and expanding asset bubbles.

<u>Loan Option</u>	<u>Average Loan Rate</u>			<u>Rate as of 1-Oct-25</u>
	<u>Past Year</u>	<u>Past 3-Months</u>	<u>Past 6-Months</u>	
20-year rate, 10-year option	4.04%	4.03%	4.10%	3.93%
15-year rate, 10-year option	3.85%	3.81%	3.88%	3.70%
10-year rate, 5-year option	3.65%	3.53%	3.63%	3.43%
10-year rate, no option	3.59%	3.47%	3.57%	3.36%
5-year rate, no option	3.36%	3.17%	3.28%	3.06%

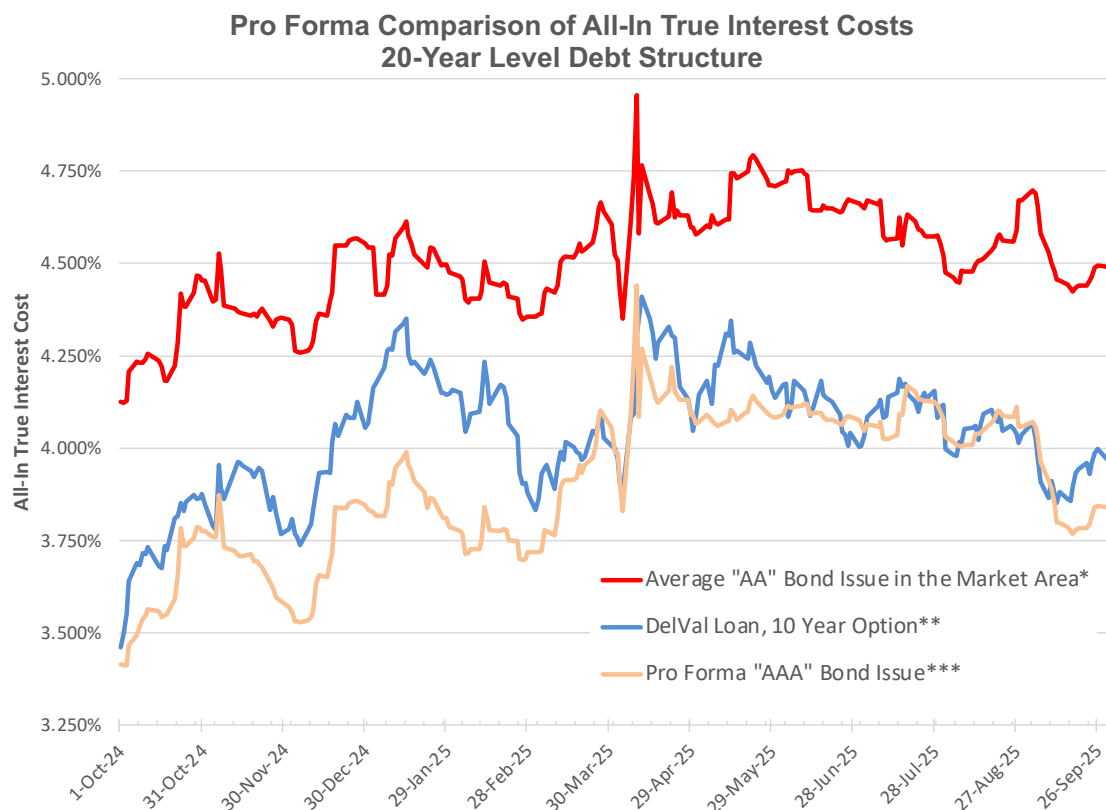
Comparison of Yield Curves



The Treasury rates remain inverted due to the interest rate that the Federal Reserve Bank pays banks for their reserves. This effectively sets a floor for the rates of short-term Treasury Bills. The Treasury yield curve has become steeper after the 2-year maturity due to the uncertainty of future FOMC policy and the perceived inability to address multi-trillion Federal deficits. Demand for the 30-year maturity has become thin.

The other curves are derivatives of the Treasury yields. The SOFR curve reflects a more jaundiced view of future Federal deficits and economic growth. The Bloomberg AAA General Obligation Index is not a par yield, and it is not strictly comparable to the other curves. The Bloomberg Index is based on a 5% coupon, and the yield curve under-estimates the cash flow for interest payments.

Market Update: Cost-effectiveness of DelVal Loans



- Bond Issuers have consistently paid a higher cost of financing than they would have with a comparable DelVal Loan.
- This comparison ignores the additional costs of issuance that the Bond Issuer would pay to refund the Bond Issue. DelVal 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.

*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 over 2.50%.

*** Based on Bloomberg "AAA" General Obligation indices, 5% coupon, 10-year option, and actual costs of issuance.

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

Bond Issues in the Market Area

Bond Issues in DeVal's Market Area*

<u>Bond issues in the Market Area*</u>	<u>All Bonds Sold in the Month Ended</u>			<u>3-Month</u>
	<u>31-Jul-25</u>	<u>31-Aug-25</u>	<u>30-Sep-25</u>	<u>Total</u>
Number of issues	7	4	7	18
Average par amount	\$ 20,777,143	\$ 23,145,000	\$ 25,026,429	\$ 22,955,833
Weighted average rating	AA	AA	AA	AA
Weighted average maturity (years)	17.70	16.80	14.49	16.14
Weighted costs of issuance (% of par amount)				
Bond issues in Market Area	1.494%	1.493%	1.451%	1.475%
Less Comparable DeVal Loans**	<u>0.586%</u>	<u>0.574%</u>	<u>0.607%</u>	<u>0.593%</u>
Savings from comparable DeVal Loan	0.907%	0.919%	0.843%	0.883%
Weighted average All-In True Interest Cost				
Bond issues in Market Area	4.966%	4.779%	4.617%	4.789%
Less Comparable DeVal Loans**	<u>4.554%</u>	<u>4.444%</u>	<u>4.169%</u>	<u>4.381%</u>
Savings from comparable DeVal Loan	0.411%	0.334%	0.448%	0.408%
Average debt service costs				
Bond issues in Market Area	\$ 39,764,690	\$ 42,809,788	\$ 43,063,477	\$ 41,724,240
Less Comparable DeVal Loans**	<u>37,840,541</u>	<u>41,122,437</u>	<u>41,063,579</u>	<u>39,823,255</u>
Savings from comparable DeVal Loan	<u>\$ 1,924,150</u>	<u>\$ 1,687,351</u>	<u>\$ 1,999,898</u>	<u>\$ 1,900,985</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

**Upper Uwchlan Township
General Obligation Bonds, 2025 Series
Comparison with DeVal Loan Rates on the Sale Date
September 24, 2025**

	<i>Actual</i>	<i>DeVal Loan*</i>
Sources of Funds		
Par Amount of Bonds	\$ 8,050,000.00	\$ 8,463,000.00
Original Issue Premium (Discount)	483,452.25	-
Total sources	<u>\$ 8,533,452.25</u>	<u>\$ 8,463,000.00</u>
Uses of Funds		
Project Costs	\$ 8,400,000.00	\$ 8,400,000.00
Refunding Costs	-	-
Underwriting Fees	52,325.00	42,315.00
Other Issuance Costs	81,127.25	20,685.00
Total uses	<u>\$ 8,533,452.25</u>	<u>\$ 8,463,000.00</u>
<i>Total debt service</i>	\$ 12,977,395.83	\$ 12,547,346.97
DeVal debt service savings (costs)		\$ 430,048.86
<i>All-In True Interest Cost (All-In TIC)</i>	4.511%	4.162%
DeVal All-In TIC savings (costs)		0.350%
<i>Weighted Average Maturity (years)</i>	12.242	11.936

Type of Sale	Negotiated
Bank Qualification	Yes
Option Date	1-Dec-30
Underwriters' Fees	0.613%
Other Costs	<u>0.951%</u>
Costs of Issuance	1.564%
Underwriter	RBC
Bond counsel	Obermeyer
Advisor	***
Insurer	***
S&P Rating	***
Moody's Rating	Aa1

- Issue was structured as a level debt, 20-year maturity, with a 5% coupon, and a 5-year option.
- The Township **will pay \$430,000 more debt service on its bonds** than a comparably structured DeVal Loan, assuming the issue is not refunded.
- With the 5% coupon, a refunding will almost certainly be economic on the option date, even if interest rates have risen.
- The Township will pay a 20-year rate for a 5-year bond issue and incur a new round of issuance costs for the refunding.
- With a DeVal Loan, the rate can be reset on the option date with no costs of issuance. A refunding would not be required.

General Obligation Bonds, 2025 Series

<i>Date</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>Price</i>	<i>Interest</i>	<i>Total Debt Service</i>		<i>Original Issue Premium</i>
						<i>Semiannual</i>	<i>Annual</i>	
28-Oct-25	-	-	-	-	-	-	-	-
1-Jun-26	-	-	-	-	\$ 238,145.83	\$ 238,145.83	\$ -	\$ -
1-Dec-26	210,000.00	5.000%	2.480%	102.695%	201,250.00	411,250.00	649,395.83	5,659.50
1-Jun-27	-	-	-	-	196,000.00	196,000.00	-	-
1-Dec-27	260,000.00	5.000%	2.360%	105.354%	196,000.00	456,000.00	652,000.00	13,920.40
1-Jun-28	-	-	-	-	189,500.00	189,500.00	-	-
1-Dec-28	270,000.00	5.000%	2.340%	107.886%	189,500.00	459,500.00	649,000.00	21,292.20
1-Jun-29	-	-	-	-	182,750.00	182,750.00	-	-
1-Dec-29	280,000.00	5.000%	2.390%	110.114%	182,750.00	462,750.00	645,500.00	28,319.20
1-Jun-30	-	-	-	-	175,750.00	175,750.00	-	-
1-Dec-30	295,000.00	5.000%	2.480%	111.982%	175,750.00	470,750.00	646,500.00	35,346.90
1-Jun-31	-	-	-	-	168,375.00	168,375.00	-	-
1-Dec-31	310,000.00	5.000%	2.630%	111.222%	168,375.00	478,375.00	646,750.00	34,788.20
1-Jun-32	-	-	-	-	160,625.00	160,625.00	-	-
1-Dec-32	325,000.00	5.000%	2.840%	110.170%	160,625.00	485,625.00	646,250.00	33,052.50
1-Jun-33	-	-	-	-	152,500.00	152,500.00	-	-
1-Dec-33	345,000.00	5.000%	2.930%	109.722%	152,500.00	497,500.00	650,000.00	33,540.90
1-Jun-34	-	-	-	-	143,875.00	143,875.00	-	-
1-Dec-34	360,000.00	5.000%	3.140%	108.686%	143,875.00	503,875.00	647,750.00	31,269.60
1-Jun-35	-	-	-	-	134,875.00	134,875.00	-	-
1-Dec-35	380,000.00	5.000%	3.310%	107.856%	134,875.00	514,875.00	649,750.00	29,852.80
1-Jun-36	-	-	-	-	125,375.00	125,375.00	-	-
1-Dec-36	400,000.00	5.000%	3.520%	106.840%	125,375.00	525,375.00	650,750.00	27,360.00
1-Jun-37	-	-	-	-	115,375.00	115,375.00	-	-
1-Dec-37	420,000.00	5.000%	3.660%	106.170%	115,375.00	535,375.00	650,750.00	25,914.00
1-Jun-38	-	-	-	-	104,875.00	104,875.00	-	-
1-Dec-38	440,000.00	5.000%	3.770%	105.646%	104,875.00	544,875.00	649,750.00	24,842.40
1-Jun-39	-	-	-	-	93,875.00	93,875.00	-	-
1-Dec-39	460,000.00	5.000%	3.870%	105.173%	93,875.00	553,875.00	647,750.00	23,795.80
1-Jun-40	-	-	-	-	82,375.00	82,375.00	-	-
1-Dec-40	485,000.00	5.000%	3.990%	104.608%	82,375.00	567,375.00	649,750.00	22,348.80
1-Jun-41	-	-	-	-	70,250.00	70,250.00	-	-
1-Dec-41	505,000.00	5.000%	4.100%	104.094%	70,250.00	575,250.00	645,500.00	20,674.70
1-Jun-42	-	-	-	-	57,625.00	57,625.00	-	-
1-Dec-42	535,000.00	5.000%	4.200%	103.629%	57,625.00	592,625.00	650,250.00	19,415.15
1-Jun-43	-	-	-	-	44,250.00	44,250.00	-	-
1-Dec-43	560,000.00	5.000%	4.280%	103.258%	44,250.00	604,250.00	648,500.00	18,244.80
1-Jun-44	-	-	-	-	30,250.00	30,250.00	-	-
1-Dec-44	590,000.00	5.000%	4.350%	102.936%	30,250.00	620,250.00	650,500.00	17,322.40
1-Jun-45	-	-	-	-	15,500.00	15,500.00	-	-
1-Dec-45	620,000.00	5.000%	4.410%	102.660%	15,500.00	635,500.00	651,000.00	16,492.00
Total	\$ 8,050,000.00				\$ 4,927,395.83	\$ 12,977,395.83	\$ 12,977,395.83	\$ 483,452.25

- The prices of maturities after the option date of December 1, 2030, are calculated to the option date, not the maturity date.
- Bondholders with maturities maturing after December 1, 2030, will be made whole on the purchase price over 100% and receive their calculated yield even if the Bonds are refunded on the option date.
- Bonds with OIP are effectively term bonds and their cash flow is not as efficient as par bonds.
- On the option date, the issuer will be looking at the coupon, not the yield. A refunding with a lower coupon, even if yields are higher, will likely be economic, even with new costs of issuance.
- DeVal Loans are priced at par. The “coupon” is the “yield”. Setting a new rate on the option date would only make sense if the yield were lower. If it were lower, the rate could be reset without a refunding and without incurring any costs of issuance.

Market Value of Interest Rate Swap Transactions

Market Value of Interest Rate Swaps

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 30-Sep-25</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 6,550,000	\$ 327,063
1998 Series	A1	***	139,800,000	10,538,541
2002 Series	A1	A+	125,000,000	13,989,650
Master Series	A1	A+	<u>585,150,000</u>	<u>(2,778,435)</u>
Total Bond Swaps			<u>856,500,000</u>	<u>22,076,819</u>
<i>Loan swaps</i>				
1997 Series	A1	***	1,547,000	9,219
1998 Series	A1	***	71,016,000	1,131,390
2002 Series	A1	A+	100,559,000	2,038,040
Master Series	A1	A+	<u>691,431,600</u>	<u>57,979,395</u>
Total Loan Swaps			<u>864,553,600</u>	<u>61,158,044</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(217,104)</u>
TOTAL			<u>\$ 1,742,753,600</u>	<u>\$ 83,017,759</u>

Market Value of Interest Rate Swaps

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 30-Sep-25</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 887,692,200	\$ 60,252,282
Barclays Bank PLC	A1	A+	17,735,000	755,351
Citibank	Aa3	A+	110,050,000	154,436
PNC Bank	A1	A	341,523,000	14,194,767
Royal Bank of Canada	Aa1	AA-	385,611,400	7,659,744
Toronto-Dominion Bank	Aa2	A+	<u>142,000</u>	<u>1,179</u>
TOTAL			<u>\$ 1,742,753,600</u>	<u>\$ 83,017,759</u>

Financing Activities and Rebate Calculations

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

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

2021 A Series rebate calculations as of October 1, 2025

2020 B, C, and D Series rebate calculations as of November 1, 2025