



*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 November 10, 2025

On November 10, 2025, at 1811 Bethlehem Pike, Flourtown Commons, Suite C350, Flourtown, Pennsylvania 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 November 10, 2025

Call to Order and Roll Call

Requisitions previously approved and paid since the last meeting:

- a) **Requisition 25-42:** Moody's Investor Services, \$11,500 annual rating fee for the 2020 D Series.
- b) **Requisition 25-43:** S&P Global Ratings, \$5,000 annual rating fee for the 2020 D Series.
- c) **Requisition 25-44:** Moody's Investor Services, \$11,500 annual rating fee for the 2020 D Series.
- d) **Requisition 25-45:** Moody's Investor Services, \$7,500 annual maintenance rating fee for DelVal.

Requisitions previously approved and to be paid this month:

- a) **Requisition 25-05:** PNC Capital Markets, \$12,602.74 quarterly remarketing fee for the 2007 B Series.
- b) **Requisition 25-07:** TD Securities LLC, \$13,232.88 quarterly remarketing fee for the 2020 D Series.
- c) **Requisition 25-09:** TD Securities LLC, \$13,232.88 quarterly remarketing fee for the 2022 E Series.
- d) **Requisition 25-11:** TD Securities LLC, \$21,172.60 quarterly remarketing fee for the 2024 B Series.

Resolutions to be considered:

- a) **Resolution 25-23:** Authorization to optionally redeem the 2007 B Series and the 2022 B Series.
- b) **Resolution 25-24:** Authorization to extend the scheduled termination date of the Letter-of-Credit issued by TD Bank, N.A. that secures the remarketing of the 2020 D Series.
- c) **Resolution 25-25:** Authorization of Loan not to exceed \$5,000,000 to the Township of Aston, Delaware County.
- d) **Resolution 25-26:** Authorization to approve an amendment of the By-Laws to change DelVal's legal address.
- e) **Resolution 25-27:** Acceptance of proposal from Pathfynder Inc. to provide consulting services in 2026 and authorization to pay fees.

Program Administrator's Report:

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



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**DELAWARE VALLEY REGIONAL FINANCE AUTHORITY
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS ON NOVEMBER 10, 2025**

The Board of Directors of the Delaware Valley Regional Finance Authority, as duly advertised, held a public meeting, on November 10, 2025, at 1811 Bethlehem Pike, Flourtown Commons, Suite C350, Flourtown, Pennsylvania 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 and 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. Nasatir, seconded by Mr. McCarthy, the Board unanimously approved the Minutes of the Meeting of October 6, 2025.

Jeffrey Calhoun reviewed payments of the Requisitions previously approved by the Board for rating fees, remarketing fees, and Letter-of-Credit fees.

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

Resolution 25-23: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the optional redemption of the \$50,000,000 Local Government Revenue Bonds, 2007 Series B and the \$75,000,000 Local Government Revenue Bonds, 2022 Series B on a date to be determined by the Program Administrator.

Upon a motion of Mr. McCarthy, seconded by Mr. Landau, the Board adopted the resolution below, by a vote of 4-0; Mr. Nasatir abstained.

Resolution 25-24: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes the amendment of the Reimbursement Agreement with TD Bank, N.A. to extend the termination date of the Letter-of-Credit that secures the remarketing of the Local Government Revenue Bonds, 2020 Series D.

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

Resolution 25-25: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby approves a Loan to the Township of Aston, Delaware County, in an amount not to exceed \$5,000,000 for construction of the new municipal building; approves the

form of the Interest Rate Management Plan; and hereby authorizes and directs the execution and delivery of Loan documents.

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

Resolution 25-26: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby authorizes and approves the amendment to the By-Laws to change the legal address of DelVal.

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

Resolution 25-27: RESOLVED, the Board of Directors of the Delaware Valley Regional Finance Authority hereby accepts and approves the proposal submitted by Pathfynder Inc. to provide consulting services in 2026 and authorizes the payment of fees after services have been provided.

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 the status of the extension of the termination date of the 2020 D Series Letter-of-Credit, the rebate calculations of the 2021 A Series and 2020 B, C, and D Series, the plan to issue a new 2025 Series, and the marketing plan.

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

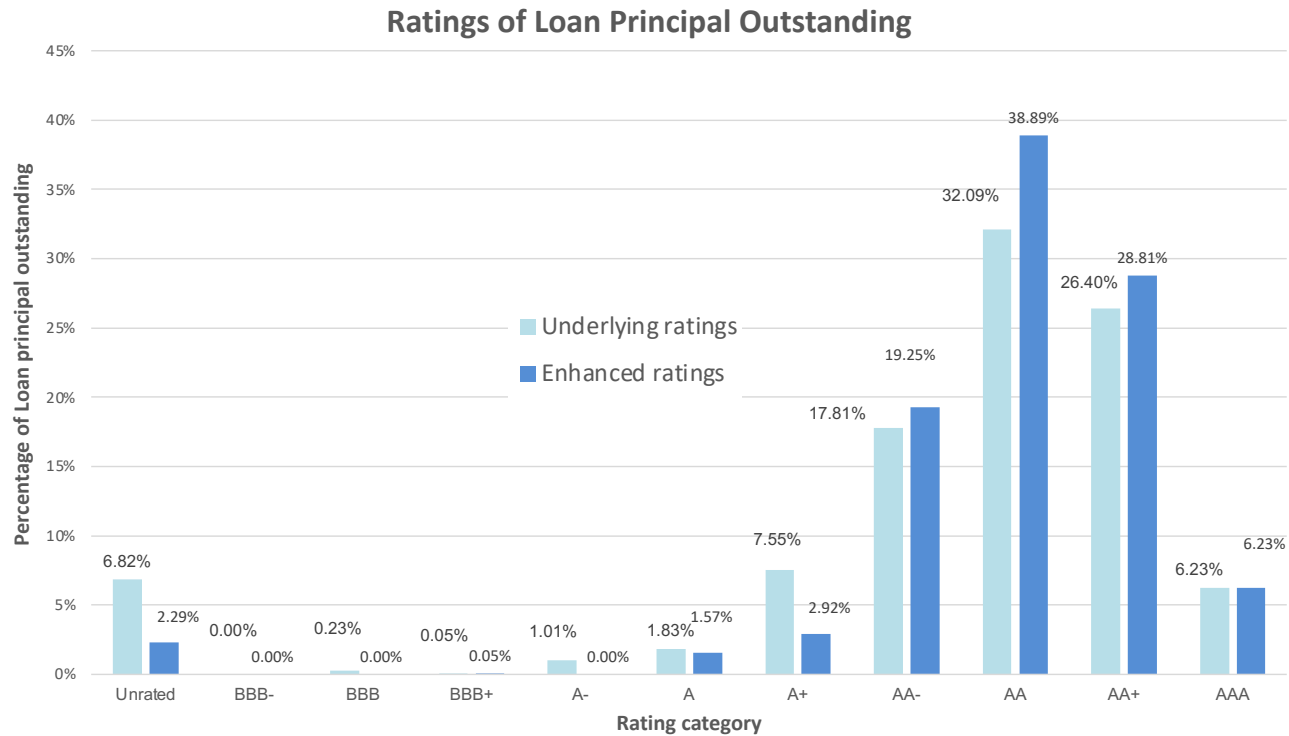
Delaware Valley Regional Finance Authority
Program Administrator's Report
November 10, 2025



Discussion Points

- Loan portfolio
- Market conditions
- Swap transactions and market values
- Rebate calculations of 2020 BCD Series and 2021 A Series
- Marketing plan
- Extension of 2020 D Series Letters of Credit
- Optional redemption of the 2007 B and 2022 B Series
- Issuance of 2025 A and B Series

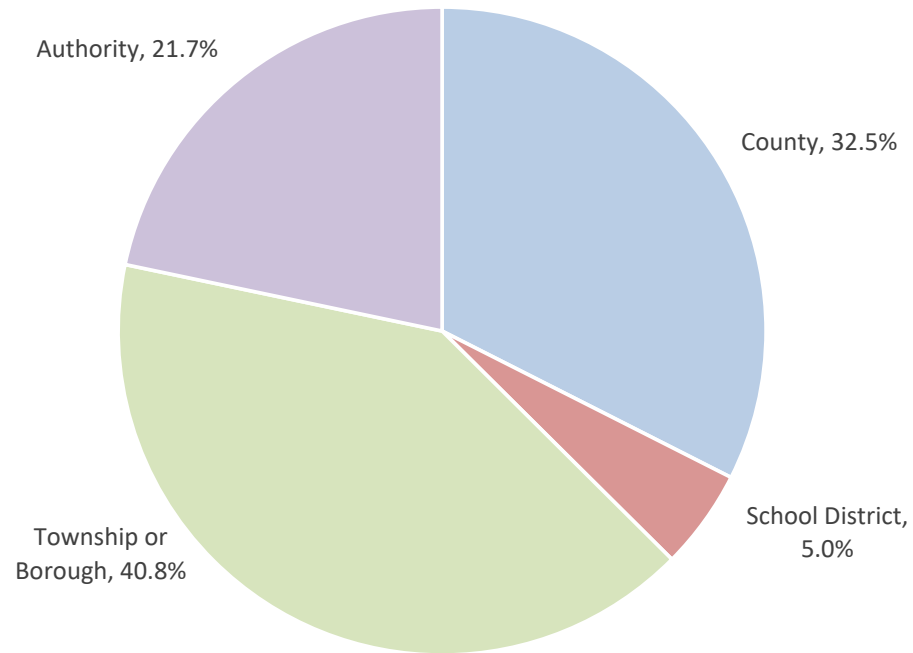
Loan Portfolio – Ratings of Borrowers



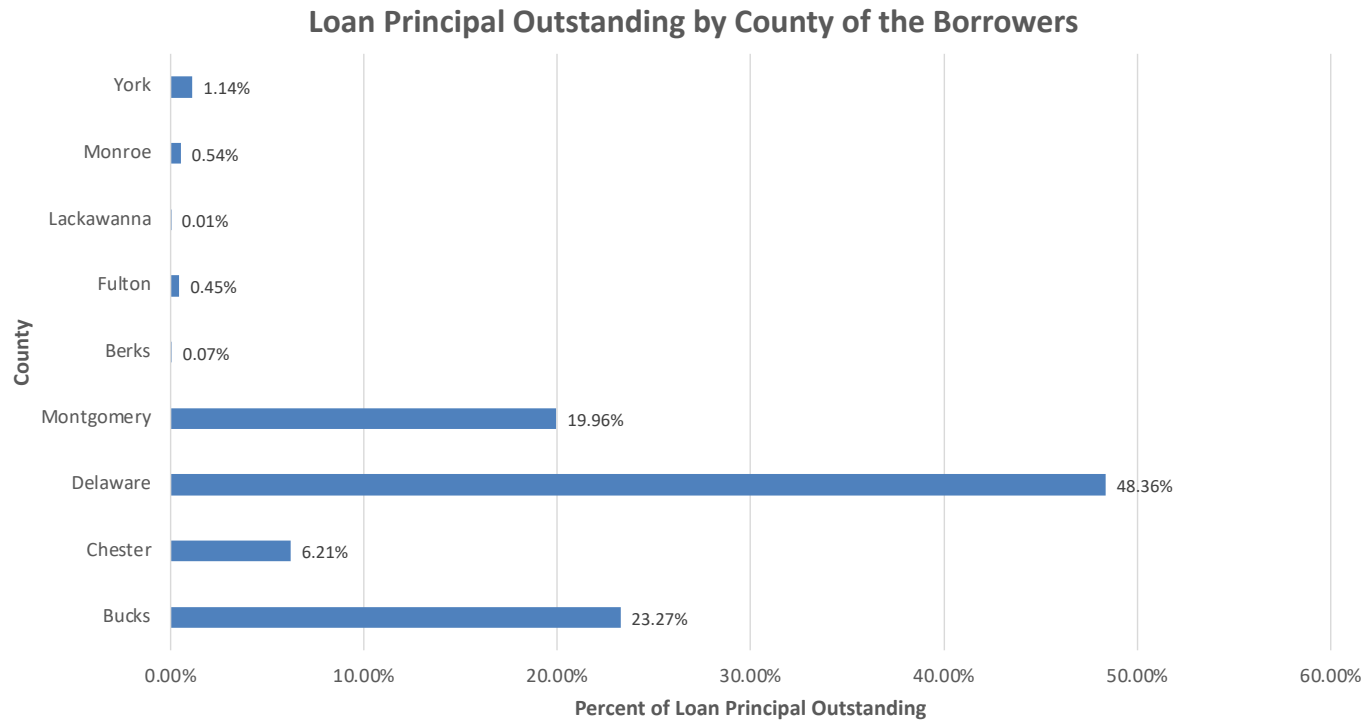
- Assured Guaranty and Build America Mutual insure 14.15% of the outstanding Loans.
- The weighted average underlying and enhanced rating of borrowers in the DelVal Loan Program is “AA”.

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 October 31, 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

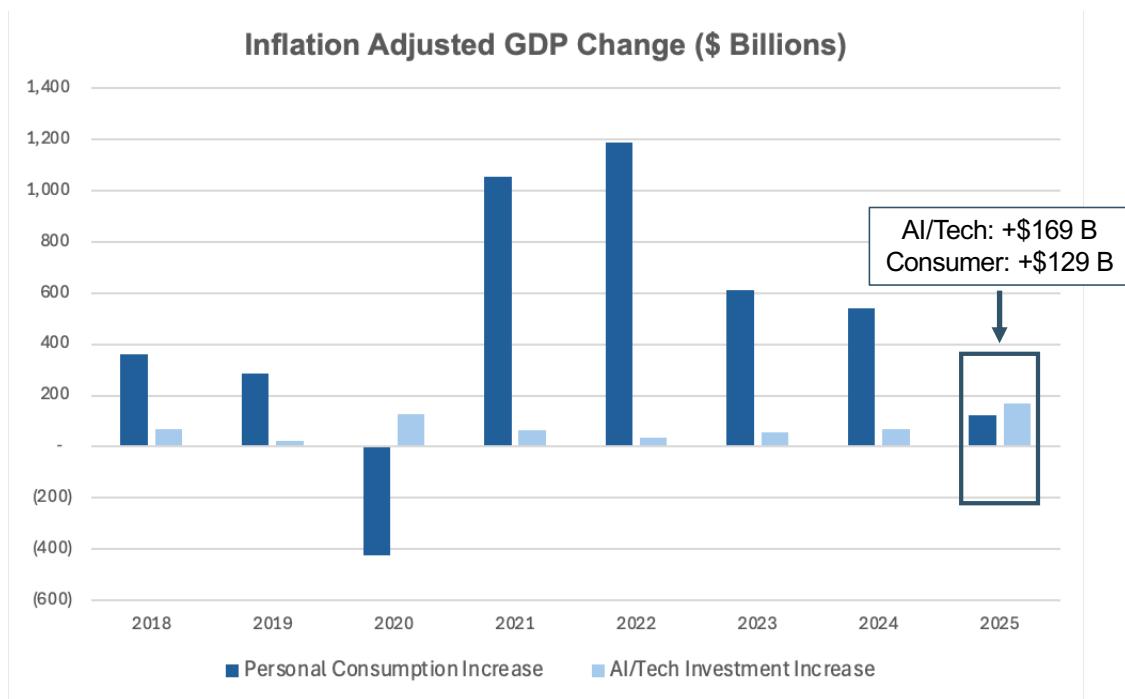
<u>No.</u>	<u>Loans in Process</u>	<u>County</u>	<u>Underlying or Guarantor Rating</u>			<u>Amount*</u>	<u>Scheduled Closing*</u>
			<u>Guarantor</u>	<u>Moody's</u>	<u>S&P</u>		
1	Marlborough Township	Montgomery	---	---	---	\$ 4,228,000	10-Nov-25
2	Aston Ambulance Authority	Delaware	Aston Township	---	AA-	2,000,000	18-Nov-25
3	Aston Township	Delaware	---	---	AA-	3,000,000	19-Dec-25
4	Upper Providence Township	Delaware	---	---	AA	5,000,000	13-Feb-26
	Total					<u>\$ 14,228,000</u>	

* Preliminary, subject to change.

Loan origination has declined in 2025 due to:

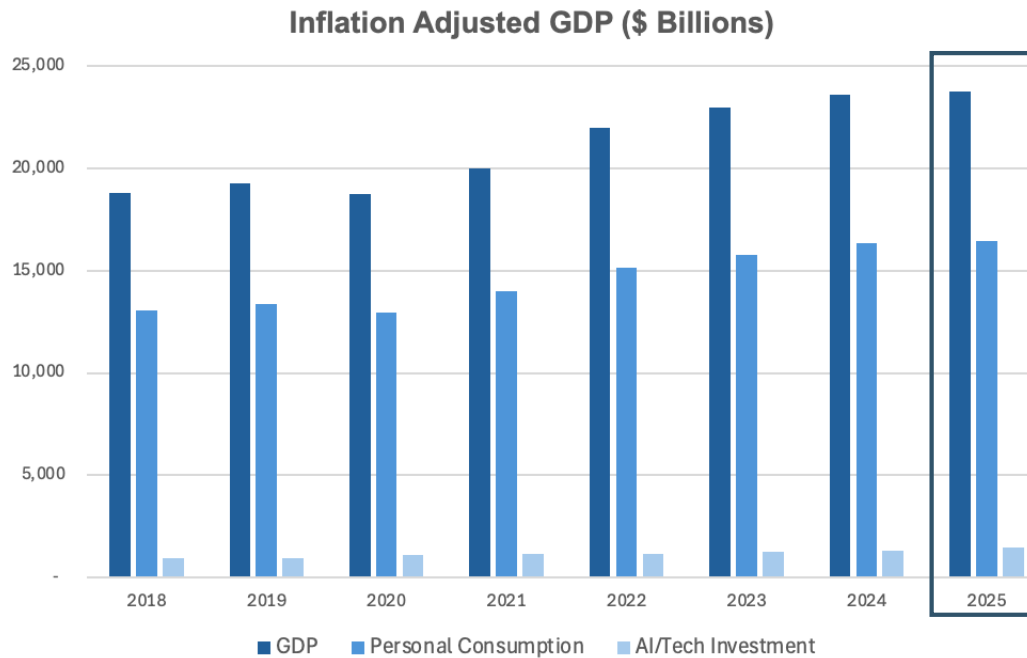
- Higher project costs due to inflation, supply chain issues, and labor shortages,
- Higher interest rates that increase debt service burdens and reduce refunding opportunities, and
- CARES and ARPA grants that displaced financings

US Economic Growth



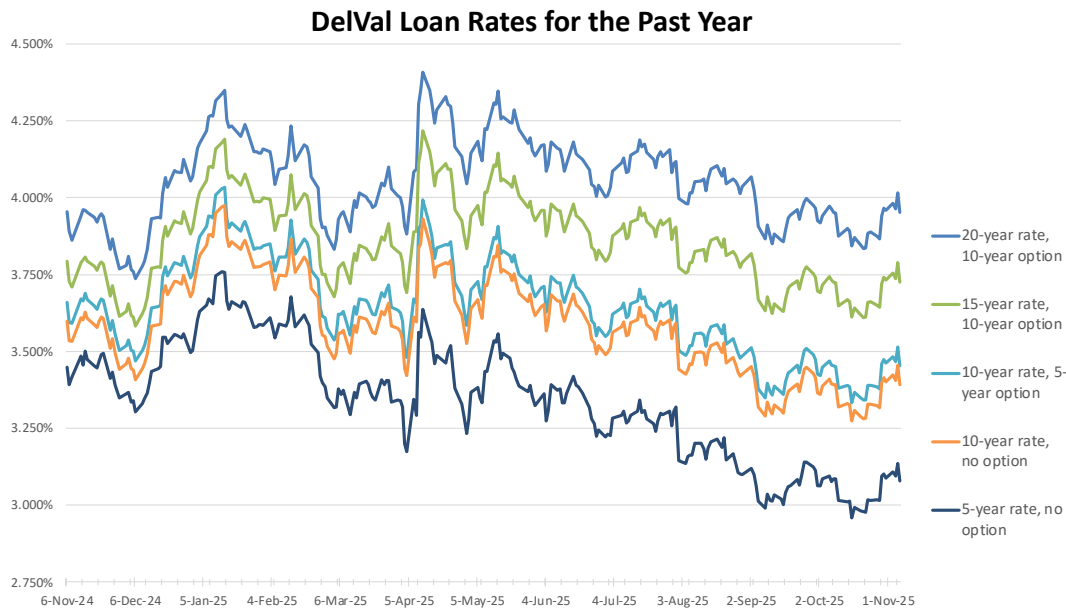
- US GDP grew 3.8% in Q2 2025.
- AI/Technology capital expenditures accounted for the single largest part of the increase in GDP in 2025, at an increase of \$169 billion.
- Personal consumption only added \$129 billion. The increase in personal consumption should have been roughly \$280 billion by the end of Q2 2025, when applying the average growth rate for personal consumption since 2018.

US Economy



- Personal consumption accounted for \$16.4 trillion (inflation adjusted in 2017 dollars) or 70% of GDP.
- The AI/Technology capital expenditures accounted for only \$1.5 trillion (inflation adjusted in 2017 dollars) or 6% of GDP.
- The consumer, the end-purchaser of goods or end-user of services, is the engine of the economy, not AI and technology spending.

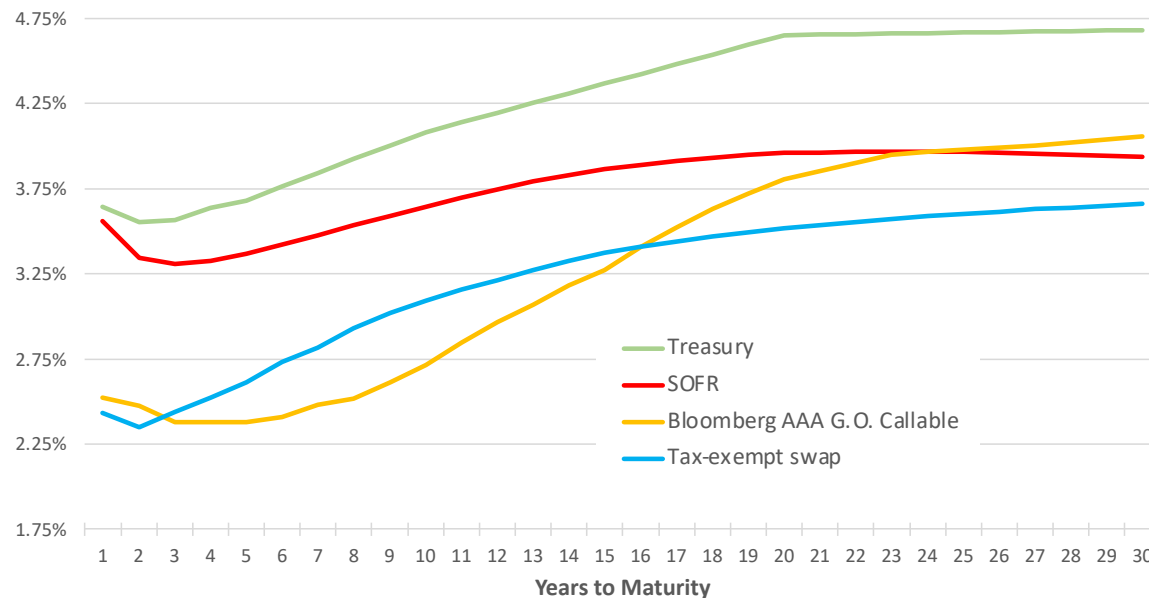
DeVal Loan Rates



<u>Loan Option</u>	<u>Average Loan Rate</u>			<u>Rate as of 6-Nov-25</u>
	<u>Past Year</u>	<u>Past 6-Months</u>	<u>Past 3-Months</u>	
20-year rate, 10-year option	4.05%	4.02%	3.90%	3.95%
15-year rate, 10-year option	3.86%	3.80%	3.67%	3.73%
10-year rate, 5-year option	3.64%	3.54%	3.40%	3.45%
10-year rate, no option	3.58%	3.48%	3.34%	3.39%
5-year rate, no option	3.34%	3.18%	3.04%	3.08%

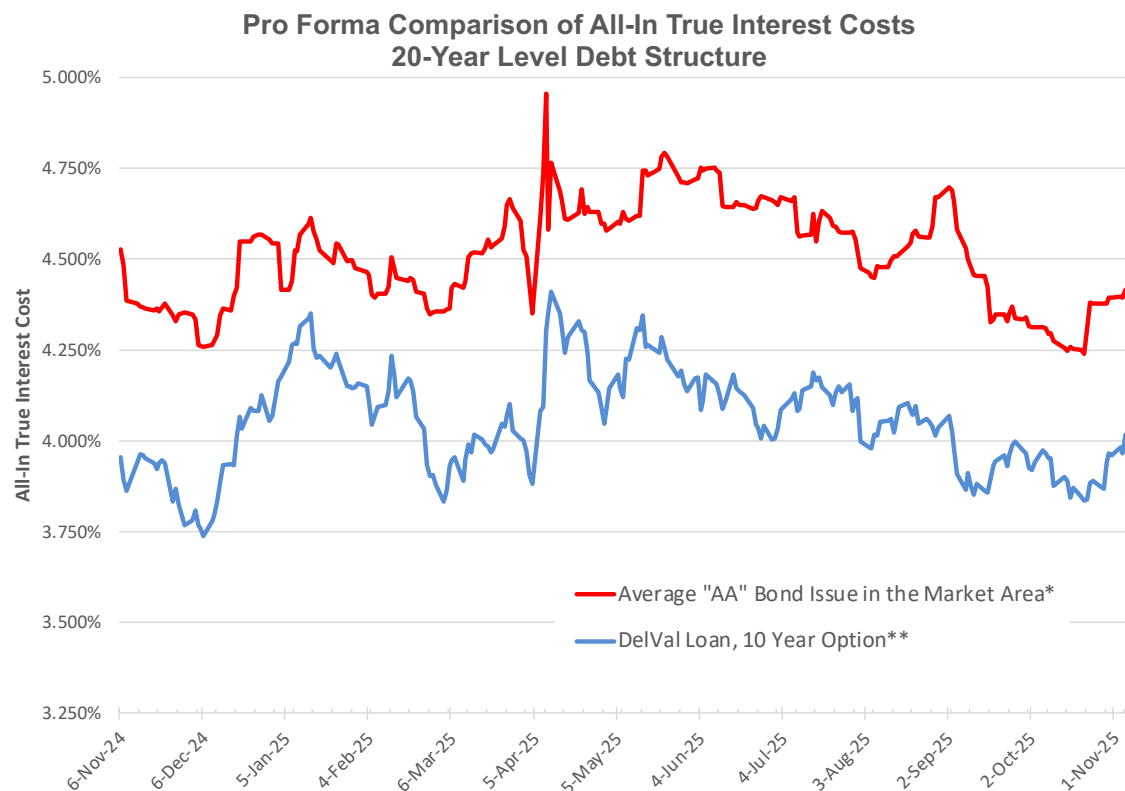
- Interest rates have remained largely rangebound as the market waits for more economic data that show the effects of the uncertainty surrounding tariffs, fiscal deficits, and the Federal Reserve Bank’s monetary policy. With the lack of government economic data, market has relied on sparse private data.
- Rates increased initially after the FOMC reduced its benchmark rates by 0.25%, as Chair Powell did not give the market the certainty it was looking for with regards to future rate cuts.
- 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.

Comparison of Yield Curves



- The Treasury rates remain inverted due to the interest rate that the Federal Reserve Bank pays banks for their reserves and the strain that Quantitative Tightening has had on short-term fixed income and repo markets. 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 underestimates the cash flow for interest payments.

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

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

**Based on actual rates and issuance costs.

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

Bond Issues in the Market Area

"AA" Bond Issues in DeVal's Market Area*

<i>Bond issues in the Market Area*</i>	<i>Bonds in the "AA" Rating Category Sold in the Quarter Ended</i>				<i>Annual Total</i>
	<i>31-Jan-25</i>	<i>30-Apr-25</i>	<i>31-Jul-25</i>	<i>31-Oct-25</i>	
Number of issues	25	35	26	29	115
Average par amount	\$ 16,897,000	\$ 24,031,000	\$ 19,198,269	\$ 26,939,138	\$ 22,120,870
Weighted average rating	AA	AA	AA	AA	AA
Weighted average maturity (years)	13.55	16.33	17.24	13.55	15.19
Weighted costs of issuance (% of par amount)					
Bond issues in Market Area	1.652%	1.651%	1.673%	1.262%	1.536%
Less Comparable DeVal Loans**	<u>0.580%</u>	<u>0.591%</u>	<u>0.716%</u>	<u>0.602%</u>	<u>0.617%</u>
Savings from comparable DeVal Loan	1.072%	1.061%	0.957%	0.659%	0.919%
Weighted average All-In True Interest Cost					
Bond issues in Market Area	4.331%	4.582%	4.932%	4.478%	4.594%
Less Comparable DeVal Loans**	<u>4.273%</u>	<u>4.350%</u>	<u>4.529%</u>	<u>4.226%</u>	<u>4.346%</u>
Savings from comparable DeVal Loan	0.058%	0.232%	0.403%	0.252%	0.249%
Average debt service costs					
Bond issues in Market Area	\$ 27,339,742	\$ 42,801,269	\$ 35,979,445	\$ 43,792,498	\$ 38,147,704
Less Comparable DeVal Loans**	<u>26,987,263</u>	<u>41,480,522</u>	<u>34,202,743</u>	<u>42,169,097</u>	<u>36,858,043</u>
Savings from comparable DeVal Loan	<u>\$ 352,479</u>	<u>\$ 1,320,747</u>	<u>\$ 1,776,703</u>	<u>\$ 1,623,401</u>	<u>\$ 1,289,661</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

**Norristown Area School District
General Obligation Bonds, 2025 Series
Comparison with DeVal Loan Rates on the Sale Date
October 1, 2025**

	<u>Actual</u>	<u>DeVal Loan*</u>
Sources of Funds		
Par Amount of Bonds	\$ 38,345,000.00	\$ 40,238,000.00
Original Issue Premium (Discount)	<u>2,098,386.25</u>	<u>-</u>
Total sources	<u>\$ 40,443,386.25</u>	<u>\$ 40,238,000.00</u>
Uses of Funds		
Project Costs	\$ 40,000,000.00	\$ 40,000,000.00
Underwriting Fees	258,828.75	201,190.00
Other Issuance Costs	<u>184,557.50</u>	<u>36,810.00</u>
Total uses	<u>\$ 40,443,386.25</u>	<u>\$ 40,238,000.00</u>
<i>Total debt service</i>	\$ 72,739,252.08	\$ 69,783,286.72
DeVal debt service savings (costs)		\$ 2,955,965.36
<i>All-In True Interest Cost (All-In TIC)</i>	4.635%	4.302%
DeVal All-In TIC savings (costs)		0.333%
<i>Weighted Average Maturity (years)</i>	17.939	17.420
Costs of Issuance		
Underwriters' Fees	0.640%	
Other Costs	<u>0.456%</u>	
Total	1.096%	
<i>Type of Sale: Negotiated</i>		
<i>Underwriter: Stifel, Raymond James</i>		
<i>Bond counsel: Obermayer</i>		
<i>Advisor: PFM</i>		
<i>S&P Rating: ***</i>		
<i>Moody's Rating: Aa3</i>		

- The School District **will pay \$2.96 million more debt service on its bonds** than a comparably structured DeVal Loan, assuming the issue is not refunded.
- Issue was structured as a level debt, 25-year maturity, with a 5% coupon, and an 8-year option. With the 5% coupon, a refunding will almost certainly be economic on the option date, even if interest rates have risen.
- The School District 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.
- The School District **would have avoided \$5.8 million with 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-Oct-25</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Bond Swaps</i>				
1997 Series	A1	***	\$ 6,550,000	\$ 314,528
1998 Series	A1	***	139,800,000	10,362,452
2002 Series	A1	A+	125,000,000	13,959,315
Master Series	A1	A+	<u>585,150,000</u>	<u>(2,178,070)</u>
Total Bond Swaps			<u>856,500,000</u>	<u>22,458,225</u>
<i>Loan swaps</i>				
1997 Series	A1	***	1,547,000	8,890
1998 Series	A1	***	70,656,000	1,060,994
2002 Series	A1	A+	99,963,000	1,915,281
Master Series	A1	A+	<u>695,764,700</u>	<u>53,236,855</u>
Total Loan Swaps			<u>867,930,700</u>	<u>56,222,020</u>
<i>Investment swaps</i>			<u>21,700,000</u>	<u>(208,510)</u>
TOTAL			<u>\$ 1,746,130,700</u>	<u>\$ 78,471,735</u>

Market Value of Interest Rate Swaps

	<u>Rating</u>		<u>Notional Amount</u>	<u>Market Value 31-Oct-25</u>
	<u>Moody's</u>	<u>S&P</u>		
<i>Counterparty</i>				
Bank of America	Aa1	A+	\$ 886,013,000	\$ 56,790,474
Barclays Bank PLC	A1	A+	17,640,000	731,596
Citibank	Aa3	A+	110,050,000	382,134
PNC Bank	A1	A	341,522,000	12,869,475
Royal Bank of Canada	Aa1	AA-	384,535,700	7,702,193
Toronto-Dominion Bank	Aa2	A+	<u>6,370,000</u>	<u>(4,137)</u>
TOTAL			<u>\$ 1,746,130,700</u>	<u>\$ 78,471,735</u>

Financing Activities and Rebate Calculations

PNC has declined to extend the Letter-of-Credit (“LOC”) of the \$50,000,000 2007 B Series scheduled to terminate on May 19, 2026. Refunding the 2007 B Series with proceeds of the new 2025 Series will be more economic than replacing the Letter-of-Credit. DeIVal would incur the issuance costs similar to a new issue by remarketing the 2007 B Series with a new LOC. Economies of scale would be realized by incorporating the refunding into the 2025 Series. Also, the term of the financing would be extended from 2042 to 2060.

TD Bank has agreed to extend the term of its LOC that secures the \$75,000,000 2020 D Series scheduled to terminate on June 1, 2026, to December 1, 2028.

The remarketing of the \$75,000,000 2022 B Series, floating rate bonds tied to the SIFMA Index prior to its March 1, 2026, mandatory purchase date would not be economic, the spreads to the SIFMA Index would exceed our funding targets. Also, DeIVal would incur the issuance costs similar to a new issue by remarketing the 2022 B Series. A refunding from the proceeds of the 2025 Series would be more advantageous.

2021 A Series rebate calculations as of October 1, 2025, have been completed. DeIVal has no rebate or yield reduction payment obligation.

2020 B, C, and D Series rebate calculations as of November 1, 2025, are being prepared, pending cash flow information from borrowers. DeIVal may have a payment obligation for this Series.

Issuance of the \$160 to \$225 million 2025 Series

The preparation to issue the 2025 Series is proceeding on schedule. Rating meetings with S&P and Moody's are scheduled on November 12.

The Preliminary Official Statement will be posted on November 25, after ratings are received.

Pre-closing for DeVal signatures will occur at the Board Meeting of December 8.

Closing is scheduled for December 17.

The 2025 Series will be split into a fixed rate 2025 A Series, to underwritten by BofA Securities, and a weekly variable rate demand bond 2025 B Series, to be secured by a LOC from Bank of America and underwritten and remarketed by BofA Securities.

The par amounts of the 2025 A and 2025 B Series will depend on the relative economics when the bonds are sold in December. The 2025 B Series could be as large as \$150 million.