



Voice: (785) 263-2550

Fax: (785) 263-2552

www.abilenecityhall.com

419 N. Broadway Street, PO Box 519

Abilene, KS 67410

PRESS RELEASE

Standard & Poor's Reaffirms City of Abilene's Credit Rating of A+, Stable

City Obtained a Credit Rating in Anticipation of the Issuance of up to \$1.57 million in General Obligation Bonds to Finance an Aerial Ladder Truck and Refinance Several Outstanding Obligations

February 6, 2013 – Standard and Poor's has again affirmed the City of Abilene's "A+, stable" credit rating following a review by the credit rating agency, by request of the City, in anticipation of the issuance of up to \$1.57 million in General Obligation Bonds.

The G.O. Bonds are proposed to finance the purchase of a \$465,000 aerial ladder truck for the Abilene Fire Department and refinance several outstanding obligations. "The City needed to replace the Fire Department's aging aerial ladder truck to ensure an adequate response to emergency situations, especially for multi-story and large structure fires," says Mayor Dennis Weishaar. "The credit rating will attract low interest rates that will make purchasing the aerial ladder truck more affordable than lease purchasing. The expected rates will also provide the opportunity to refinance several outstanding obligations and save taxpayer dollars."

The City also plans to refinance several of its outstanding obligations, including its 2005 G.O. Bonds (used to finance Tower and Park Place Additions), 2006 G.O. Bonds (used to finance Hidden Meadows 5 and Dawson 5 Additions), 1998 KDHE Loan (used to finance a portion of the Water Treatment Plant improvements), and 1999 KDHE Loan (used to finance technology upgrades at Wastewater Treatment Plant). Dustin Avey, the City's Financial Advisor, estimates a net savings to taxpayers of \$43,159 due to the proposed refinancings.

City Manager David Dillner commented that "Standard and Poor's credit rating once again confirms the City's financial position with respect to the capital markets. The credit rating allows the City to obtain lower interest rates, which translates into lower borrowing costs and a more efficient use of taxpayer dollars."

The four outstanding obligations have an average interest rate of 3.6%. For comparison, the G.O. Bonds, Series 2011 for the E. First Street Project received an interest rate of 2.4%. The City anticipates an interest rate between 2.0% and 2.5% for this issuance.

The City Commission is scheduled to review and consider the final legal documents, including the bond sale offering, at its February 11th regular meeting.

Questions regarding the recent credit rating from Standard and Poor's may be directed to City Manager David Dillner at (785) 263-2550.

