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PRESS RELEASE

City of Abilene Issues \$1.57 Million in G.O. Bonds at Historically Low Interest Rate of 1.12%

February 12, 2013 – The City of Abilene, Kansas, issued \$1.57 million of its General Obligation Bonds, Series 2013. The bonds were purchased by Country Club Bank of Kansas City, in partnership with Astra Bank of Abilene, at a True Interest Cost of 1.119588%.

The G.O. Bonds will finance the purchase of a \$465,000 aerial ladder truck for the Abilene Fire Department and refinance several 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, estimated a net savings to taxpayers of \$43,159 due to the proposed refinancings, but the actual savings to taxpayers was \$60,117 due to the low interest rate.

The refinanced obligations had 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 anticipated an interest rate for this issuance between 2.0% and 2.5% for this issuance, and was very surprised by the low interest rate of 1.12%.

City Manager David Dillner commented, "The interest rate the City received for its G.O. Bonds, Series 2013 is unprecedented. The rate has allowed the City to borrow at historically low rates, which makes the purchase of the aerial ladder truck more affordable than previously anticipated. Additionally, the City will save taxpayer dollars above what was originally anticipated by refinancing at such a low rate."

The City is statutorily obligated to maintain its aggregate G.O. debt to below 30% of its assessed valuation. The G.O. Bonds, Series 2013 issuance brings the City's G.O. debt level to about 20% of assessed valuation, or 10% below the statutory limit. The City does not anticipate issuing any of its G.O. Bonds for the remainder of 2013.

This issuance by the City of Abilene was assisted by Bond Counsel Mary Carson of Triplett, Woolf & Garretson, LLC and Financial Advisor Dustin Avey of Piper Jaffray & Co.

Questions regarding the G.O. Bonds, Series 2013 may be directed to City Manager David Dillner at (785) 263-2550.

