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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 \$18 million in Public Building Commission Revenue Bonds to Finance a Portion of the Memorial Health System Hospital Renovation Project

November 3, 2011 – Standard and Poor's has 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 \$18 million in Public Building Commission Revenue Bonds.

The PBC Revenue Bonds, which will be sold in two series to preserve the issuances bank-qualified status, will be used to finance a portion of Memorial Health System, Inc.'s planned \$24 million Hospital Renovation Project. Memorial Health System, Inc. is planning to sell \$6 million of Certificates of Participation to finance the remaining portion of the Project costs.

Analysts from Standard and Poor's stated as follows:

"Annual rental payments, payable by the city to the PBC under the lease but not subject to annual renewal by the city, secure the bonds and constitute an unconditional obligation of the city. Because the bonds are an unconditional obligation of the city, it is responsible for levying property taxes, if necessary, to pay debt service on the bonds. The city's obligation to make payments under the lease is not subject to annual appropriation or termination during the lease term. Therefore, we have not notched these bonds off the city's GO debt rating."

City Manager David Dillner commented that "Standard and Poor's credit rating is good news for Memorial Health System, Inc.'s Project, and will encourage the market to provide a low interest rate for the Project. As a health care provider, lower borrowing costs translate into a more efficient use of the Hospital's revenue that will allow it to focus on providing services to its patrons."

The City Commission/Public Building Commission is scheduled to review the final legal documents at its next Study Session scheduled for November 8th. The City Commission and Public Building Commission is expected to consider action on the PBC Revenue Bonds at its November 14th meeting.

The full report from Standard and Poor's is available on the City's website at www.abilenecityhall.com.

Questions regarding the credit rating may be directed to City Manager David Dillner at (785) 263-2550.

The City of Abilene, Kansas is a city of the second class located approximately 149 miles west of Kansas City on Interstate 70 with a current population of 6,856. The City serves as the county seat for Dickinson County, Kansas and was incorporated in 1869. The City's governance structure is the Commission-Manager form of government. A five member City Commission oversees the policies and strategic direction of the community. The City Commission elects one of their members to serve as mayor each year. The City Commission appoints a City Manager who serves at the pleasure of the City Commission and is responsible for the day-to-day operations of the City. The City provides public services including law enforcement, fire protection, parks and recreation services, community and economic development, street maintenance, and water and sewer utilities.