

# Norfolk Insider

City of Norfolk, NE

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## “\$3.4 million Savings on Recreation Bond”



Engineering students gathered at the renovated Memorial Field in Norfolk for an Engineering Game Day in October.

It's not too often that a city can save more than three million dollars for its citizens but City of Norfolk officials recently announced that early repayment of general obligation bonds will literally save that much money.

Five years ago in November, voters approved a recreation bond issue of \$16.4 million for renovation of Memorial Football Field and Baseball Field, construction of Memorial AquaVenture, paved parking lots at Memorial Park and the addition of new baseball fields at Ta-Ha-Zouka Park. A 2% occupation tax on prepared food and beverages and 4% occupation tax on lodging was set in place to pay for those improvements.

Sheila Rios, senior accountant for the City of Norfolk, explained to the City Council Monday night that more money from those occupation taxes has been collected than had been originally estimated so that the bond is expected to be paid off seven years earlier than previously thought.

“Each year beginning in 2011 we've been paying about \$1.15 million from those occupation taxes towards the \$16.4 million bond. Now, five years later, we are able to refund the bonds and set the payments at \$1.5 million each year, shortening the maturity by seven years and saving almost \$3.4 million in interest,” Rios said. She added that the occupation taxes will end when the bonds are fully paid off – an estimated seven years early.

Mayor Sue Fuchtman said she was pleased with the savings.

“So often we hear of governmental entities coming up short on funds but not in this community. These bonds will be paid off years earlier than what we had anticipated with \$3.4 million of interest saved in the process. Much credit for this positive outcome goes to Randy Gates and Sheila Rios. Their leadership and guidance in the financial handling of Norfolk citizens' tax dollars gives elected officials confidence in the financial decision making process that is our responsibility,” Fuchtman said.