

The Hartington City Council met for a special meeting on September 17th, 2024 at City Hall beginning at 12:00 P.M. Notice of time and place of the meeting was given in advance notice by posting. Notice of time and place of the meeting was communicated in the advanced notice to the Mayor and Council.

Present were Mayor Becker; Councilman Bartling, and Sudbeck; and City Clerk-Treasurer Bencoter. Councilman Christensen and Kathol; Deputy Clerk Schulte, and Legal Counsel Nikki Brandt were absent.

Mayor Becker called the meeting to order at 12:00 P.M., followed by all present reciting the Pledge of Allegiance. He announced that the open meetings law poster was on the back wall of the council room and reminded all present to silence their cell phones.

Mayor Becker stated the City published its intent to purchase the Skylon Ballroom, 30 days have passed since that publishing, and Council is meeting to vote on that purchase agreement. He stated they have been working on the project for quite some time and in the Spring the residents of Hartington voted on two bond issues; the City Shop and the Skylon Ballroom. The City Shop passed, but the Skylon Ballroom did not. He stated since then many people have come to himself and Council asking about how to save the Skylon. Roger Wortmann came forward to Council and asked if he moved it and did the renovations, would the City purchase it from him with a purchase agreement over a certain amount of years. City Council looked for ways to make the project work, and one way to fund the project is with the sales tax money the City receives. If the City accumulates too much, we can't assess to the levy and the State wants the City to spend the money. Currently the City sales tax fund is at around \$400,000, and we currently receive about half a million a year in City sales tax. A portion of it goes to Economic Development, another portion goes into the Hi-Fi account, and the remaining around \$300,000 a year, the City can use to do different infrastructure projects as the City deems necessary. He stated the Council feels the possibility of losing an event center would be a step back for Hartington. From feedback, Council believes it would be difficult to get a bond for a brand new facility to pass, and we would go without an event center for quite some time, or forever. He stated Council would listen to comments and asked for people to keep it to a limit of 5 minutes for each person to be able to give everyone a chance to speak who wishes to.

Richard Pedersen asked if this was a legally publicized meeting; how can a for-profit business such as the Hartington Hotel that just opened up compete with a big event venue; he stated there are smaller venues in Hartington to be able to hold events; who would be responsible for the overruns on the project, and do you feel all other avenues for another venue have been looked at such as working with the Cedar County Fair Board. Mayor Becker stated the meeting was a legally publicized meeting; he stated the fair option was looked at and they did not have an appetite for the project; he stated smaller venues were not large enough for the size weddings Hartington has, and there will be opportunities to have more large events, not just weddings at the Skylon; the City does not want to compete with smaller venues; the City has a fairly tight plan and are going to do our best to move and stay within budget; the City will look at fundraising as many have contacted him wanting to donate; he stated the option for an event center will leave us if we don't take it. Richard Pedersen stated that Mayor Becker told them at the last town hall meeting that the vote of the people would decide and not council. Mayor Becker stated the vote was for the bond, the funding of the project, and the option with Roger Wortmann did not come until after the voting occurred.

Dennis Schumacher asked Council who would run the Skylon; what if nobody wants to run it, would it sit empty; how many weddings and funerals did the Skylon do a year? Mayor Becker stated it would be a private lease with someone, they have people who are interested to run it, the Skylon did around 20 big weddings a year.

Clark Johnson asked how much Council was allowed to spend without approval of the people, and how they can have a meeting without a quorum. Mayor Becker stated the Council has the authority to spend City sales tax funds and there are three of them present which is what is needed for a quorum.

Tom Miller asked if they were here to vote on something; the City voted no and now they are here to vote on moving the building; they already built a road at the Industrial Park without the approval from people; they can build a new event center for 2 million; the people need to vote because it's our money. Mayor Becker stated the Council was here to vote on whether to sign the Purchase Agreement for the Skylon; the numbers the City has received from multiple builders is 3-4 million for a new event center.

Vickie Donner asked why people can't vote on this project and Mayor Becker stated Council has to decide now or we will lose the project. Councilman Sudbeck stated Roger Wortmann has already extended the deadline he originally gave the City, so we need to make a commitment. Tom Miller asked if Council can spend 1 million of the City's funds without a vote and Mayor Becker stated the City has gone

through legal and we can use the City sales tax funds for this project. Amanda Carl asked if this will affect our taxes and Mayor Becker stated Council has completed the budget for the 2024-2025 fiscal year, and while they have not approved it yet, the tax levy will decrease 8% from the current year tax levy of .66 to .60.

Rena Reisig asked if the City has sent out a survey to see what those within the city would like to do; what has been the past interest; she agrees with a big space, but need a space for day to day activities and is not sure how the Skylon could accommodate. Mayor Becker stated Economic Development sends one out every three years or so, and it is probably about time to do another one. He stated in the past, the most common thing people want to see is restaurants, but people open one and then can't make a go of it. All these things the City of Hartington offers bring high marks to our City and attract people to move here. An event center would bring people to town, spend money in our town and accumulate more in sales tax revenue. We have a housing shortage in Hartington and with Nordby Addition moving forward, we will have 12 more homes, but we are still in need of more. The Skylon has the opportunity to offer more other events besides weddings.

Richard Pedersen asked if the vote means anything and what about community trust. You are spending tax dollars even if sales tax and does not think the Skylon should be City owned. Tom Miller asked Councilman Sudbeck if the City could build an adequate event center for 2 million. Councilman Sudbeck stated the City needs to keep up with it's historic buildings as best as possible, he believes the Skylon will bring people to town, and a 2 million dollar event center would look like a gymnasium.

Dennis Schumacher asked who has insurance; who will pay for insurance and beer license after purchase; does the City have anyone lined up to lease the Skylon, more than one; what will the price be for a wedding at the Skylon. Mayor Becker stated the mover of the building has insurance on it if something happens during the move, the City will own the building after it's completed and has gotten insurance estimates; will work out with lease on who will be paying; there are multiple people that have expressed interest in leasing the Skylon from the City; it will be up to the person who leases the building on event charges. Lee Carl asked what would happen if the City depletes the City sales tax fund in three years. Mayor Becker stated that would not happen and we currently have a surplus that the State is requiring us to spend or we can't levy because the State wants cities to use their sales tax funds.

Jamie Arens asked Council is this was already decided on; the project already started; have their been conversations elsewhere; if it is a great thing, why does Roger not keep it up; what are the lots at the Industrial Park for; what are the intents for the lots; how is LB840 money tied in; knowingly going into transaction knowing that it will lose money after people; Roger what are you going to do if the City votes no; why doesn't Roger just run it; what is the sale price of the lot at the Industrial Park, how is Roger building it if he doesn't own it. Mayor Becker stated Council will decide and vote on the Agreement shortly; nothing has been decided officially; Roger has been involved in conversations; this is not a money making project for Roger, Economic Development owns the lots at the Industrial Park and would need to ask them; Roger has the opportunity to apply for LB840 money which is sales tax money set aside for Economic Development which functions independently from the City, but have to have Council final approval for the funds; if Council votes for this, we are looking at what is best for Hartington as many people came to them after the vote, changing their minds on wanting to save the Skylon; the sale of the lot is not public yet as it's Economic Development's lot, not the City's; you would need to ask Economic Development any questions regarding the lot. Roger Wortmann stated he believes we need this and hasn't decided what he would do if the Council votes no, and he is too old to continue to run the Skylon. Mayor Becker informed Jamie Arens that he was well over his 5-minute time limit and would like to give other people a chance to speak that want to.

Mike Reisig stated it sounds like there is a lack of information and doesn't know why it has to be voted on today and there can't be a delay. Mayor Becker stated a delay would slow down the process to move it if Council approves it and with cement, it would need to be moved before winter. Jamie Arens asked Roger if he owned the lot and he replied he has a purchase agreement. Dennis Schumacher asked why doesn't the City wait until Roger does everything and then City vote. Mayor Becker stated Roger needs a commitment from the City first as it's a big expense for him. Mayor Becker stated they would move onto the vote by Council.

A motion to approve the Purchase Agreement with Roger Wortmann for the Skylon Ballroom in the amount of \$1,050,000 was made by Councilman Sudbeck and seconded by Councilman Bartling. A roll call vote was taken. Bartling – yes, Sudbeck – yes, Becker – yes. Motion carried.

Public Comments: Lee Carl asked if Mayor Becker knew the wishes of the two absent Council members. He stated they were in favor, but encouraged people to reach out and speak with them on their own as he did not want to speak for them. Jamie Arens asked if Council entered into other City contracts and Mayor Becker stated that item was not on the Agenda and could not legally be discussed in public comments. He encouraged Jamie Arens to attend their next Council meeting and to get with Clerk Bencoter if he wished to be on the Agenda.

A motion to adjourn was made by Councilman Sudbeck and seconded by Councilman Bartling. A roll call vote was taken. Bartling – yes, Sudbeck – yes, Becker – yes. Motion carried.

The meeting was adjourned at 12:56 PM. The next scheduled meeting is September 23rd, 2024.

Respectfully Submitted,

Brittini Benscoter
City Clerk-Treasurer