



NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

Mike Foley
State Auditor

Mike.Foley@nebraska.gov
PO Box 98917
State Capitol, Suite 2303
Lincoln, Nebraska 68509
402-471-2111, FAX 402-471-3301
auditors.nebraska.gov

March 31, 2026

Mark Becker, Mayor
City of Hartington
PO Box 427
Hartington, NE 68739

Dear Mr. Becker:

As you know, the Nebraska Auditor of Public Accounts (APA) has received concerns regarding potentially questionable expenditures made by the City of Hartington, Nebraska, (City) in relation to its Skylon Ballroom building project. As a result, the APA began limited preliminary planning work to determine if a full financial audit or attestation would be warranted. Pursuant thereto, the APA obtained financial records and other relevant documentation from the City. Based on the outcome of this preliminary planning work, including an analysis of the information obtained, the APA has determined that a separate financial audit or attestation is unnecessary at this time, as the City is audited on an annual basis.

Nevertheless, during the course of the preliminary planning work, the APA noted a certain issue that merits corrective action.

Background Information

The City is a city of the second class located in Cedar County, Nebraska. The City Council (Council) is the governing body that exercises financial accountability and control over activities relevant to the operations of the City. Council members are elected by the public and have broad decision-making authority, including the power to levy taxes and to designate management, the ability to exert significant influence over all City operations, and the primary responsibility for related fiscal matters.

The Skylon Ballroom (Skylon) building has served as a local dance hall and community center in the City since 1937. According to Skylon's website (<https://www.skylonballroom.com/>), the venue can be rented for weddings or other personal occasions, and it has a total capacity of 1,080 people, with the front room capable of accommodating 200 attendees and the outdoor patio another 70. Until October 2024, the Skylon building was located at 320 S. Robinson Ave. During that month, however, the building was moved to its current location at 56281 Highway 84. Approximately eight months later, on June 3, 2025, possession of both the Skylon building and the land upon which it now sits was transferred from then-owner Roger Wortmann to the City.

As of March 31, 2026, the City continues to own the Skylon and currently leases it to Skylon Ballroom, LLC. That company operates the Skylon as a rental event center, paying the City 50% of all rental income received by the business. According to the Secretary of State's website (<https://sos.nebraska.gov/>), Skylon Ballroom, LLC, was established on January 24, 2025, by Corey Kramer, the City's Utilities Superintendent.

The APA has created a timeline – included as **Exhibit A** herein – detailing the events described above. The following is a summary of that chronology:

- On August 14, 2024, the City published a press release explaining that it would be most cost-effective to move and renovate the existing Skylon building, with Mr. Wortmann paying the costs of that project.
- On September 6, 2024, Mr. Wortmann submitted an LB 840 Loan Application for \$50,000 to the City’s LB 840 Revolving Loan Fund (RLF) Committee to purchase the new lot for the soon-to-be-relocated Skylon building.
- On September 17, 2024, during its special meeting, the Council approved an agreement between the City and Mr. Wortmann, which stated that the City would pay Mr. Wortmann a total of \$1,050,000, plus interest at a rate of 5% annually, to purchase the Skylon building. The purchase amount was to be paid in installments, as shown below:

<i>Amortization Schedule</i>				
\$ 897,500.00 Loan with Annual Payments				
5% Interest Rate <small>Compounded Annually</small>				
Annual Payment of \$ 150,000.00 for 5 Years				
<u>Year</u>	<u>Payment</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Remaining Balance</u>
2026	\$ 150,000.00	\$ 105,125.00	\$ 44,875.00	\$ 792,375.00
2027	\$ 150,000.00	\$ 110,381.25	\$ 39,618.75	\$ 681,993.75
2028	\$ 150,000.00	\$ 115,900.31	\$ 34,099.69	\$ 566,093.44
2029	\$ 150,000.00	\$ 121,695.33	\$ 28,304.67	\$ 444,398.11
2030	\$ 466,618.02	\$ 444,398.11	\$ 22,219.91	\$.0
<u>Totals</u>	\$ 1,066,618.02	\$ 897,500.00	\$ 169,118.02	

According to the agreement, the City would take possession of the Skylon on or before December 15, 2025, if two contingencies were met: 1) Mr. Wortmann received a \$50,000 LB 840 loan; and 2) the Skylon passed “building codes/regulations at the final building inspection after renovations, with such renovations to be completed by and at the expense of the Seller.”

- On September 20, 2024, during its meeting, the RLF Committee approved a motion to “recommend a \$50,000 grant for Roger Wortmann(Skylon Ballroom) for purchase of lot and moving and renovation of the Skylon.” Four days later, Hartington Community Development, Inc., sold the new Skylon lot to Mr. Wortmann for \$50,000.
- On October 15, 2024, during its meeting, the Council accepted the RLF Committee’s recommendation and approved Mr. Wortmann’s LB 840 application. The next day, the City disbursed the \$50,000 in LB 840 funds to Mr. Wortmann. Additionally, during this month, the Skylon building was relocated to its current site.
- On April 28, 2025, the Council approved a commercial lease agreement with Skylon Ballroom, LLC, listing Mr. Kramer as the company’s owner. Effective from June 1, 2025, through December 31, 2026, the lease agreement specified not only the rental amount but also who would be responsible for damages, maintenance, insurance, and any additional costs. Additionally, the City was to receive half of the rental income earned through the Skylon and cover the cost of the building’s utilities.
- On June 3, 2025, possession of the Skylon – including, at no additional cost, the lot purchased with LB 840 funds – was transferred to the City.
- On August 9, 2025, the newly relocated and renovated Skylon was opened to the public. An image of the building is shown below:



The following comment and recommendation, which has been discussed with the appropriate members of the City and its management, is intended to improve internal control or result in other operating efficiencies.

Comment and Recommendation

Skylon Ballroom Project

As mentioned in the “Background Information” section herein, the City (buyer) and Mr. Wortmann (seller) entered into an agreement for the City’s acquisition of the Skylon building on September 17, 2024. The agreement states clearly that the City was to take possession of the Skylon on or before December 15, 2025, provided that the following two contingencies were met:

- a) This agreement is contingent upon Seller receiving an LB840 Loan in the amount of \$50,000 for the purchase of the lot where the building will be transferred.*
- b) This agreement is further contingent upon the passing of building codes/regulations at the final building inspection after renovations, with such renovations to be completed by and at the expense of the Seller. If the building does not pass building codes/regulations upon final inspection, Seller shall be given a reasonable amount of time to bring the building in compliance with the building codes/regulation and pass inspection.*

(Emphasis added.) As discussed below, these contingencies appear not to have been met completely prior to the City’s taking possession of the property on June 3, 2025.

Renovation Costs

The APA obtained, from the City’s accounting system, a listing of all the payments made in relation to the Skylon project, along with the corresponding supporting documentation. As emphasized above, the agreement stipulates that renovations to the Skylon building were “to be completed by and at the expense of the Seller.” However, the APA noted that the City appears to have expended nearly \$1,000,000 of its own funds specifically for the building’s renovation.

These payments are summarized in the table below:

Vendor	Number of Payments	Total Amount Paid
Doyle Stevens Construction	7	\$434,146.00
Plumbing & Electric	11	\$198,963.85
Green Gable Contracting	2	\$34,483.55
Stockwell Engineers	4	\$33,689.80
Folkers Painting	3	\$32,876.25
Ace Refrigeration Company	1	\$27,726.92
Webstaurant Store	3	\$26,559.06

Vendor	Number of Payments	Total Amount Paid
Kalin's Indoor Comfort	1	\$23,424.17
Pflanz Electronics	2	\$19,388.31
Miller Painting & Decorating	2	\$17,468.00
Diamond Floor Solutions	1	\$13,000.00
Mayer Signs	2	\$12,305.00
Myron Klug	1	\$12,000.00
Wiechelman's Repair	1	\$11,317.95
Steffen Carpentry & Woodworking	1	\$10,381.77
Pye-Barker Fire & Safety	2	\$8,577.00
Chamberlain Tile	1	\$6,512.88
Sandy Becker	1	\$6,098.53
My Backyard Zone	1	\$5,296.00
X-Pert Lawn and Landscaping	2	\$4,787.50
Complete Floors	1	\$4,121.00
Jon Arens Construction	1	\$3,828.00
League Association of Risk Management	1	\$3,282.38
Drahota Landscape Design	1	\$2,835.00
Mandy Sudbeck	1	\$1,900.00
Sherwin-Williams	1	\$1,801.95
Randy Kathol Construction	1	\$1,625.76
Carhart Lumber Co.	4	\$1,579.56
Other Vendors (Note)	14	\$5,984.79
Totals	74	\$965,960.98

Note: The APA combined all vendors with payments totaling less than \$1,500 within the "Other Vendors" line item above.

A detailed listing of all apparent renovation-related payments made by the City for the Skylon project has been included as **Exhibit B** herein.

It is important to note that the expenditures summarized in the above table included 11 payments, totaling \$198,963.85, to "Plumbing & Electric." According to the Secretary of State's website (<https://sos.nebraska.gov/>), Plumbing & Electric Service, Inc., a business established by Roger Wortmann on June 2, 1975, provides plumbing, heating and electrical sales, and excavation services. Therefore, the City not only incurred renovation costs that – pursuant to the express terms of the purchase agreement (as well as reiterated repeatedly in the Council's official proceedings) – were supposed to have been borne solely by Mr. Wortmann but also paid his business directly to perform those renovations.

Additionally, municipal representatives informed the APA that the City submitted a request to the Hartington Community Foundation on November 13, 2024, to open a restricted account for donations to be used toward the Skylon project. As of January 28, 2026, the City received \$197,200 in such donations. The contributions do not cover fully, however, the Skylon renovation costs incurred by the City.

The APA questions whether the City should have paid – whether with donated monies or other municipal funds – any of these renovation expenses when the purchase agreement states explicitly that such costs were to be "completed by and at the expense of the Seller," Mr. Wortmann.

Use of LB 840 Funds

In 1991, the Nebraska Unicameral Legislature passed LB 840, creating the Local Option Municipal Economic Development Act (Act), which is set out at Neb. Rev. Stat. §§ 18-2701 to 18-2739 (Reissue 2022, Supp. 2025). That law authorizes cities and villages to collect and appropriate local tax dollars for economic development purposes, if approved by the local voters. The Act provides also for the formulation of both a local economic development program and a proposed plan pertaining thereto, which establish parameters for the collection and expenditure of local tax revenues for economic development.

The first contingency of the purchase agreement between the City and Mr. Wortmann requires him to receive “an LB840 Loan in the amount of \$50,000 for the purchase of the lot where the building will be transferred.” As shown by the timeline herein (pg. 2), the City awarded Mr. Wortmann \$50,000 in LB 840 funds on October 15, 2024. However, the APA questions the propriety of that award because its stated purpose was for “the purchase of the lot where the building will be transferred.” Consequently, the money appears to have been given to Mr. Wortmann because the City was prohibited under the Act from using those LB 840 funds to purchase the lot for itself.

During the Council meeting held on August 26, 2024, the City Attorney explained that the City could not award itself LB 840 funds to purchase the new Skylon lot. Instead, the City discussed allowing another individual to receive funding under the Act to purchase the property, as shown in the following meeting minutes excerpt:

Legal Counsel Nikki Brandt: The City will need to do another notice for purchase of the lot for the Skylon as the current purchase agreement is dependent on LB840 funds, but the LB840 Guidebook does not allow for the City to use the LB840 funds for their own use. Mayor Becker asked if another person could use the funds from LB840 to purchase the lot and she stated they could and they would be responsible for the payments on the loan until the City buys the building and lot. She spoke with EMC Insurance regarding worker’s compensation and they handle all worker’s compensation claims and will reach out to the City Clerk for any personnel documents they would need.

Shortly thereafter, the City’s RLF Committee received from Mr. Wortmann an application dated September 6, 2024, requesting \$50,000 to purchase the new Skylon lot. Shown below is an excerpt from the application, listing the total project costs and use of the requested LB 840 funding:

USES OF FUNDS:	Total Project Cost	LB840 Funds Requested
Land Acquisition	<u>50,000</u>	<u>50,000</u>
Building Acquisition	_____	_____
Renovation	<u>500,000</u>	_____
New Facility Construction	<u>450,000</u>	_____
Acquisition of Machinery/Equipment	_____	_____
Acquisition of Furniture/Fixtures	_____	_____
Working Capital (Includes Inventory)	_____	_____
Other (Specify)	_____	_____
TOTAL:	<u>1 million</u>	<u>50,000</u>

Also included on the application form is a section asking applicants to provide a “brief description of the proposed project.” Mr. Wortmann’s response is provided below:

(2) Brief description of the proposed project. (may refer to Business Plan if available)
Plan to purchase lot in Hartington Industrial Park to
move Skylon building to new location. Will renovate
existing building and build addition onto Skylon as
well.

On September 20, 2024, the City’s RLF Committee approved a motion to recommend that the Council grant Mr. Wortmann the requested \$50,000 in LB 840 funds. The Council approved the funding application during its October 15, 2024, meeting. It is worth noting that the City’s LB 840 (Local Option Municipal Economic

Development Act) Revolving Loan Fund (RLF) Loan & Grant Guidelines does allow the City to grant, rather than loan, LB 840 funds to applicants as follows:

A grant may be considered based on the scope of the project and at the discretion of the RLF committee with the City of Hartington's final approval.

The APA observed a Form 521 "Real Estate Transfer Statement" dated September 24, 2024, showing that Hartington Community Development, Inc., sold the lot located at 56281 Highway 84 to Mr. Wortmann in the amount of \$50,000. As mentioned previously herein, Mr. Wortmann later transferred the property to the City at no cost on June 3, 2025.

The City did not award the LB 840 money directly to itself, and the \$50,000 in such funds received by Mr. Wortmann satisfied the purchase agreement contingency; nevertheless, the APA questions the underlying permissibility of that grant.

To start, Neb. Rev. Stat. § 18-2709(5) (Supp. 2025) of the Act excludes political subdivisions from being qualifying businesses for LB 840 loans, as shown below, in relevant part:

Qualifying business does not include a political subdivision, a state agency, or any other governmental entity

Furthermore, as the Nebraska Supreme Court has stated repeatedly in numerous variations, whether regarding an individual or entity, including a municipality, "[W]hat it cannot do directly it cannot do indirectly . . ." *Greenwood v. Lincoln*, 156 Neb. 142, 150, 55 N.W.2d 343, 347 (1952).

If shown therefore, that the implicit purpose of the LB 840 grant to Mr. Wortmann was to circumvent the Act's restriction against giving those community development funds to the City – as the later gratuitous bestowal of the property upon the City might tend to indicate – that disbursement must be considered legally suspect.

Building Codes, Regulations, and Inspections

The APA also inquired with City representatives regarding the second contingency of the purchase agreement, which required "the passing of building codes/regulations at the final building inspection after renovations" prior to the City's acquisition of Skylon. Municipal representatives confirmed that such inspections were not, in fact, completed prior to either the property being transferred to the City on June 3, 2025, or the subsequent reopening of the building to the public on August 9, 2025. As of February 25, 2026, moreover, a final inspection showing the renovated building to be compliant with all applicable building codes and regulations had yet to be completed. Therefore, this purchase agreement contingency appears to remain unfulfilled.

Good internal controls require procedures to ensure the following: 1) the City adheres carefully to all applicable contractual requirements; and 2) expenditures of LB 840 funds are made in strict compliance with the provisions of the Act.

Without such procedures there is an increased risk for loss, misuse, or theft of City funds.

We recommend the implementation of procedures to ensure the following: 1) the City adheres carefully to all applicable contractual requirements; and 2) expenditures of LB 840 funds are made in strict compliance with the provisions of the Act. We recommend further that the City seek legal guidance regarding recoupment of the municipal funds paid, in contravention of the purchase agreement's express terms, for the Skylon building's renovation.

City Response:

I [City Mayor] will do my best to address the concerns you have about the Skylon project. I think some of the confusion on this project lies in what was included in the original contract with Roger Wortmann and what the total project cost the city and when the city took possession.

Let me start with our original intent to issue a bond for the project when we requested 1.6 million for the project. Those funds would have included, moving the Skylon, renovating it and building a parking lot. Our contract with Roger Wortmann was for just the moving of the Skylon and renovation and land purchase. The additional cost of the parking lot, dirt work for the parking lot and landscaping, changes in the design of the Skylon and other additions are the city of Hartington's responsibility. One other item of note is we took possession of the building in June, much earlier than December which was in the original contract. Roger was reimbursed for some expenses after we took possession because we could not pay any change orders or additions not in the contract before we took possession of the Skylon. The Skylon was inspected by the state electrical inspector and the state fire marshal and we were given the permits to operate after passing those inspections for our first event in August.

Our fund-raising efforts are currently over \$ 200,000.00 to be used for any expenses for this project.

APA Response:

While we appreciate the additional context provided, the fact remains that the City paid hundreds of thousands of dollars in renovation costs precluded by the clear language of the contract with Mr. Wortmann, as follows:

a) This agreement is contingent upon Seller receiving an LB840 Loan in the amount of \$50,000 for the purchase of the lot where the building will be transferred.

b) This agreement is further contingent upon the passing of building codes/regulations at the final building inspection after renovations, with such renovations to be completed by and at the expense of the Seller. If the building does not pass building codes/regulations upon final inspection, Seller shall be given a reasonable amount of time to bring the building in compliance with the building codes/regulation and pass inspection.

(Emphasis added.) The APA verified that State Electrical Inspections were performed on March 17, 2025, and July 7, 2025, for the wiring of the Skylon building and the installation of a new fire alarm system. We also verified that multiple inspections were conducted by the Nebraska State Fire Marshall on May 29, 2025; June 18, 2025; July 15, 2025; August 26, 2025; and February 4, 2026. However, as noted in **Exhibit B herein, work on the Skylon building appears to have continued through the end of January 2026. With the exception of that on February 4, 2026, all the inspections were completed, therefore, prior to or concurrent with this work. Further, the information outlined in **Exhibit A** herein suggests that certain structural items remain unaddressed, which may necessitate additional inspections. As a result, not only does the City appear to have covered the cost of the renovation work in contravention with the express terms of the agreement, but also a “final building inspection after renovations” may yet be in need of completion.**

* * * * *

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use the knowledge gained during our work to make comments and recommendations that we hope will be useful to the City.

Draft copies of this letter were furnished to the City to provide its management with an opportunity to review and to respond to the comment and recommendation contained herein. Any formal response received has been incorporated into this letter. Such response has been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time.

This communication is intended solely for the information and use of the City and its management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this communication is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Audit Staff Working on this Examination:

Craig Kubicek, CPA, CFE – Deputy Auditor

Mason Culver – Auditor-In-Charge

Destini Morales – Auditor II

Sincerely,



Craig Kubicek, CPA, CFE

Deputy Auditor

Auditor of Public Accounts

Room 2303, State Capitol

Lincoln, NE 68509

Phone (402) 471-3686

craig.kubicek@nebraska.gov

CITY OF HARTINGTON
Skylon Project Timeline of Significant Events
July 25, 2022, through January 26, 2026

Exhibit A

- On July 25, 2022, during its meeting, the Council was informed by the Mayor that discussions were held with Roger Wortmann, who owned the property upon which the Skylon building was located, regarding his plan to close the venue in two years. The Mayor also proposed initiating a plan for a new community center with the help of the Hartington Economic Development Corporation.
- On November 15, 2022, during the Council’s meeting, the Mayor communicated that a Council member had met with a moving company to determine whether the Skylon building could be moved to a new location, and the conclusion was that it was possible.
- On June 26, 2023, the Mayor informed the Council during its meeting that Mr. Wortmann was looking to relocate, or have the City move, the Skylon building. Only two options were considered: 1) demolishing the structure; or 2) moving the building to a new location and leasing it to a third party.
- On January 22, 2024, the Mayor suggested during the Council’s public meeting that another meeting be held to allow the public to comment on the potential Skylon project. The following estimates were also presented for the project: 1) \$1.5 million to renovate and move the Skylon building to a new location; or 2) \$2 million to \$3 million to build an entirely new structure.
- On February 12, 2024, during its meeting, the Council discussed allowing City residents to vote on the issuance of a \$1,600,000 bond for the Skylon project. If passed, Mr. Wortmann would own the Skylon building until construction work was completed, and the structure would be moved to a new location before the City purchased it.
- On February 26, 2024, during its meeting, the Council approved Resolution No. 20240226 (“Resolution Calling an Election in the City of Hartington, Nebraska; and Related Matters”). The resolution contained a provision for residents to vote on whether the City should issue a \$1,600,000 bond to purchase and move the Skylon building, as well as pay for modifications, furnishings, equipment, and improvements for it.
- On April 22, 2024, Mr. Wortmann told the Council during its public meeting that he would give the City until January 1, 2025, to decide whether to proceed with moving the Skylon building or demolishing it.
- On May 14, 2024, the public results of the May 2024 ballot were posted. The Hartington Bond Issue for the Skylon project received 231 votes for the bond issuance and 357 votes against it. As a result, the measure did not pass.
- On July 22, 2024, during the Council’s meeting, the Mayor stated that the Skylon project continued to move forward, and Mr. Wortmann was considering the possibility of moving the building and then leasing it to the City with a lease-to-own option. The Mayor also discussed the possibility of holding fundraisers to raise money for the project.
- On August 12, 2024, the Mayor explained during the Council meeting that the Skylon project was underway and a notice would be published in the paper for 30 days regarding it. Afterwards, the City would make a final decision, and the Council would act on the lease agreement with Mr. Wortmann – doing so during a special meeting, if needed.
- On August 14, 2024, the City published a notice in the Hartington Cedar County News that the City was considering the purchase of the Skylon building for \$1,050,000, with a down payment of \$100,000 and interest of 5%. On this same day, the Mayor and Council also published a press release explaining the plans for the Skylon. In the press release, the City explained that, after weighing the options of constructing a new community center and renovating the existing Skylon building, the most cost-effective option was determined to be moving the Skylon building to a new location and renovating it. The press release stated also that Mr. Wortmann would be “funding the moving and renovation of the new Skylon event center.”

CITY OF HARTINGTON
Skylon Project Timeline of Significant Events
 July 25, 2022, through January 26, 2026

Exhibit A

- On August 26, 2024, during the Council’s meeting, the City’s legal counsel advised that the City would “need to do another notice for the purchase of the lot for the Skylon as the current purchase agreement is dependent on LB840 funds, but the LB840 Guidebook does not allow for the City to use the LB840 funds for their own use.” The Mayor asked the City’s legal counsel if “another person could use the funds from LB840 to purchase the lot,” and the City’s legal counsel said that would be allowable and the individual “would be responsible for the payments on the loan until the City buys the building and lot.”
- On September 6, 2024, Mr. Wortmann submitted an LB 840 Loan Application to the City’s LB 840 Revolving Loan Fund (RLF) Committee. The application requested \$50,000 in LB 840 funds to be used by Mr. Wortmann to purchase the lot to which the Skylon building would be moved.
- On September 9, 2024, the Council approved a building permit for Mr. Wortmann to construct a community center at 56281 Highway 84.
- On September 17, 2024, during its special meeting, the Council approved a purchase agreement between the City and Mr. Wortmann, which stated that the City would pay Mr. Wortmann a total of \$1,050,000, plus interest at a rate of 5% annually, for the Skylon. Such payments would be payable in installments, as follows:

<i>Amortization Schedule</i>				
\$ 897,500.00 Loan with Annual Payments				
5% Interest Rate <small>Compounded Annually</small>				
Annual Payment of \$ 150,000.00 for 5 Years				
<u>Year</u>	<u>Payment</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Remaining Balance</u>
2026	\$ 150,000.00	\$ 105,125.00	\$ 44,875.00	\$ 792,375.00
2027	\$ 150,000.00	\$ 110,381.25	\$ 39,618.75	\$ 681,993.75
2028	\$ 150,000.00	\$ 115,900.31	\$ 34,099.69	\$ 566,093.44
2029	\$ 150,000.00	\$ 121,695.33	\$ 28,304.67	\$ 444,398.11
2030	\$ 466,618.02	\$ 444,398.11	\$ 22,219.91	\$.0
Totals	\$ 1,066,618.02	\$ 897,500.00	\$ 169,118.02	

According to the agreement, the City would take possession of the Skylon on or before December 15, 2025, if two contingencies were met: (a) Mr. Wortmann receiving a \$50,000 LB 840 loan for the purchase of the new Skylon building lot; and (b) the Skylon building passing “building codes/regulations at the final building inspection after renovations, with such renovations to be completed by and at the expense of the Seller.”

- On September 20, 2024, during its meeting, the RLF Committee reviewed Mr. Wortmann’s application and approved a motion to “recommend a \$50,000 grant for Roger Wortmann(Skylon Ballroom) for purchase of lot and moving and renovation of the Skylon.”
- On September 24, 2024, Hartington Community Development, Inc., sold the new Skylon building lot to Mr. Wortmann for \$50,000.
- On October 15, 2024, during the Council meeting, the Mayor presented the RLF Committee’s recommendation to approve Mr. Wortmann’s LB 840 application. The Council approved unanimously the \$50,000 application.
- On October 16, 2024, the City disbursed \$50,000 in LB 840 funds to Mr. Wortmann.
- In October 2024, through the joint effort of two moving companies – Morrow’s Housemoving from Jackson, Nebraska, and Scrib’s House Moving from David City, Nebraska – the Skylon building was relocated to its current site at 56281 Highway 84.

CITY OF HARTINGTON
Skylon Project Timeline of Significant Events
July 25, 2022, through January 26, 2026

Exhibit A

- On November 13, 2024, during a meeting of the Hartington Community Foundation Board, the City requested the opening of a restricted account to receive donations for the Skylon project. At this same meeting, the Foundation Board approved that request.
- On January 9, 2025, the City began making payments for the Skylon project.
- On January 27, 2025, during its meeting, the Council discussed the selection of a Manager for Skylon – the City Utilities Superintendent, Corey Kramer. Mr. Kramer was said to have begun working on obtaining pricing, bookings, and a website, with the goal of opening Skylon in August 2025.
- On April 28, 2025, the Council approved a commercial lease agreement with Skylon Ballroom, LLC, listing Mr. Kramer as the owner. Effective from June 1, 2025, through December 31, 2026, the lease agreement specified not only the rental amount but also who would be responsible for damages, maintenance, insurance, and any additional costs. Additionally, the City was to receive half of the rental income earned through the Skylon and cover the cost of the building's utilities.
- On June 3, 2025, Mr. Wortmann transferred ownership of the lot for the new Skylon building site to the City. This was done at no cost to the City because a purchase agreement for the building had been executed on September 17, 2024. At this time, the City had made payments, totaling \$100,000, to Mr. Wortmann under the purchase agreement.
- On June 19, 2025, Heyer Engineering performed a site visit to the Skylon building to obtain information about its structure. In a subsequent report, Heyer Engineering stated that the existing structure had not been evaluated. No determination was made, therefore, as to whether the building met current codes and regulations.
- On August 9, 2025, the newly relocated and renovated Skylon building was opened to the public.
- On January 26, 2026, Stockwell Engineers performed a site visit to the Skylon building. A subsequent report issued by the firm identified several structural issues with the building.

CITY OF HARTINGTON
Apparent City Payments Made Relating to the Skylon Project
January 1, 2025, through January 31, 2026

Exhibit B

Date	Vendor	Description	Debit
1/9/2025	Hartington Shopper	Help wanted ad	\$340.00
1/9/2025	Northeast Nebraska News Company	Help wanted ad	\$142.88
4/10/2025	Doyle Stevens Construction	Concrete work	\$23,511.00
6/4/2025	Pflanz Electronics	Sound system	\$13,000.00
6/5/2025	Folkers Painting	Painting and staining interior	\$20,026.25
6/5/2025	League Association of Risk Management	Insurance	\$3,282.38
6/5/2025	Mayer Signs	Skylon sign	\$6,152.50
6/19/2025	Sandy Becker	Light fixtures	\$6,098.53
6/19/2025	Plumbing & Electric	Dirt work	\$29,290.75
6/19/2025	Webstaurant Store	Supplies	\$20,531.91
7/10/2025	Ace Refrigeration Company	Cooler, sink, ice bin, compressor	\$27,726.92
7/10/2025	Carhart Lumber Co.	Supplies	\$26.50
7/10/2025	Doyle Stevens Construction	Road and parking lot	\$166,261.00
7/10/2025	Folkers Painting	Painting	\$10,900.00
7/10/2025	Glass Edge	Supplies	\$1,108.00
7/10/2025	Mayer Signs	2nd 1/2 of Skylon sign	\$6,152.50
7/10/2025	Miller Painting & Decorating	Skylon bar & floor	\$7,770.00
7/10/2025	Plumbing & Electric	Skylon work	\$36,946.38
7/10/2025	Roman Sudbeck	Reimbursement	\$251.50
7/10/2025	Sherwin-Williams	Supplies	\$1,801.95
7/24/2025	Chamberlain Tile	Tile installation	\$6,512.88
7/24/2025	Folkers Painting	Painting	\$1,950.00
7/24/2025	Menards	Supplies	\$155.59
7/31/2025	Webstaurant Store	Skylon items	\$2,811.16
7/31/2025	My Backyard Zone	Skylon firepit	\$5,296.00
8/7/2025	Complete Floors	Furnish and install vinyl tile	\$4,121.00
8/7/2025	Diamond Floor Solutions	Flooring	\$13,000.00
8/7/2025	Hartington Ace Hardware	Supplies	\$173.98
8/7/2025	Jon Arens Construction	Gutters and installation	\$3,828.00
8/7/2025	Mandy Sudbeck	Cleaning	\$1,900.00
8/7/2025	Menards	Supplies	\$435.84
8/7/2025	Pye-Barker Fire & Safety	Fire sprinklers	\$4,101.65
8/7/2025	Steffen Carpentry & Woodworking	Bar	\$10,381.77
8/21/2025	Doyle Stevens Construction	Concrete work payment	\$100,000.00
8/21/2025	Drahota Landscape Design	Landscaping	\$2,835.00
8/21/2025	Lammers Engineering	Parking lot concrete layout for contractor	\$1,050.00
8/21/2025	Top Notch Window Cleaning	Window cleaning	\$310.30
8/21/2025	X-Pert Lawn and Landscaping	Landscaping	\$1,335.00
9/4/2025	Carhart Lumber Co.	Supplies	\$117.20
9/4/2025	Hartington Ace Hardware	Supplies	\$917.97
9/4/2025	Menards	Supplies	\$213.01
9/4/2025	Stockwell Engineers	Administration III and principal	\$2,871.50
9/4/2025	Plumbing & Electric	NPPD contribution fee	\$22,964.14
9/4/2025	Plumbing & Electric	NPPD, taxes, elkhorn sand blasting, gas hookup	\$12,888.61
9/4/2025	Plumbing & Electric	Building permit, remove old P&E things	\$2,731.64
9/4/2025	Plumbing & Electric	Conduit to west & south side, fire alarm wiring, waterline into building	\$22,633.01
9/4/2025	Myron Klug	Drywall work	\$12,000.00
9/18/2025	Doyle Stevens Construction	Concrete work payment	\$70,974.00
9/18/2025	Feilmeier Electric	Fire pit	\$729.26
9/18/2025	Pflanz Electronics	Sound system	\$6,388.31
9/30/2025	Webstaurant Store	Supplies	\$3,215.99
10/9/2025	Carhart Lumber Co.	Supplies	\$1,028.48
10/9/2025	Doyle Stevens Construction	Pump Charges	\$5,000.00
10/9/2025	Green Gable Contracting	Skylon work	\$22,137.55
10/9/2025	Hartington Ace Hardware	Supplies	\$64.16

CITY OF HARTINGTON
Apparent City Payments Made Relating to the Skylon Project
 January 1, 2025, through January 31, 2026

Exhibit B

Date	Vendor	Description	Debit
10/9/2025	Miller Painting & Decorating	Parking lot	\$9,698.00
10/9/2025	Plumbing & Electric	Manhole ring	\$435.92
10/9/2025	Plumbing & Electric	Fix roof & dirt hauling	\$40,920.00
10/9/2025	Pye-Barker Fire & Safety	Fire sprinklers	\$4,475.35
10/9/2025	Stockwell Engineers	Engineering fees	\$6,407.10
10/9/2025	X-Pert Lawn and Landscaping	Dirt work, fertilizing, seeding	\$3,452.50
10/23/2025	Bomgaars	Supplies	\$92.30
10/23/2025	Doyle Stevens Construction	Paving	\$18,400.00
10/23/2025	Randy Kathol Construction	Construction work	\$1,625.76
11/6/2025	Carhart Lumber Co.	Repairs & supplies	\$407.38
11/6/2025	Green Gable Contracting	Skylon work	\$12,346.00
11/6/2025	Plumbing & Electric	Stain wood, haul wood to dump, 2 chest coolers	\$25,395.00
11/6/2025	Wiechelma n's Repair	Skylon work	\$11,317.95
12/4/2025	Doyle Stevens Construction	Parking lot	\$50,000.00
12/4/2025	Kalin's Indoor Comfort	Install system	\$23,424.17
12/4/2025	Plumbing & Electric	Table/Chairs	\$3,000.00
12/4/2025	Stockwell Engineers	Engineer services	\$18,336.90
12/18/2025	Plumbing & Electric	Skylon work	\$1,758.40
1/22/2026	Stockwell Engineers	Engineer fees	\$6,074.30
Totals		74	\$965,960.98