



CITY COUNCIL December 11, 2017  
WORKSESSION 6:00pm  
City Hall, 1001 Bridge St. Vernonia, OR 97064

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**Mission Statement**

The City of Vernonia pledges to be an ethical and responsive government using community collaboration to foster leadership and a vision for civic improvement while providing a safe, peaceful, economically viable community.

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**MINUTES**

**Councilors In Attendance:** Mayor Leonetti, Councilor McNair, Councilor Hult and Councilor Seager

**Staff in Attendance:** City Administrator Mitchell

**Media Present:** Scott Laird, Vernonia Voice

**Guests:** Casey Mitchell, Community Action Team

**Absent:** Councilor Wagner and City Recorder Borst

**Call to Order -- Mayor Leonetti**

Mayor Leonetti called the meeting to order at 6:09pm

**Additions or Removal of Agenda Items**

Councilor Seager made a motion to approve the agenda as written. The motion was seconded by Councilor Hult.

Votes: Councilor Seager: Yes      Councilor Hult: Yes      Councilor Wagner: Absent  
      Councilor McNair: Yes      Mayor Leonetti: Yes

Motion carried.

**New Business**

- Discussion of Cemetery House Property Options

City Administrator Mitchell presented the handouts to Council (See File).

Rough value of the house as it is currently around \$80-90,000. She explained that the county has not updated their database to reflect the lot line adjustment and reduction in property for the lot with the house.

Casey Mitchell explained that one of the bedrooms in the cemetery house is a pass thru to the bathroom so therefore isn't really counted as a bedroom. Technically it's a one bedroom because of this. The obvious concern is that someone will purchase the house cheap and never make any improvements therefore leaving it dilapidated and an eye sore next to the cemetery. He explained that with the fair housing laws, Council will be unable to turn down a buyer whom they know is a bad fit for the property.

Councilor McNair inquired as to if consensus was that the house was only worth \$80,000. Mr. Mitchell stated that if a house flipper purchased the property they may pay \$80,000. Its more likely that the City will get that from someone whom wants to live in the house.

Mr. Mitchell explained that one of the best ways to avoid the house being left in disrepair is to do option #3. Ask a realtor what the best fixes are to get the most value from the

improvements and put those projects out for bid. That way not only will the value of the house be greater but the house will be in better condition.

Councilor Seager inquired as to what a rough estimate would be to make the improvements needed to list the house. Mayor Leonetti commented that the market for the house may be limited as people may not want to live next to the cemetery. Mr. Mitchell addressed Councilor Seager's question and explained that these are rough estimates as he isn't certain what is needed. Therefore, he has included 15% contingency to this estimate. His estimate is around \$50,000 for the improvements to include: A new roof, interior demo, electrical, plumbing, ductless heat pump, windows, exterior paint, kitchen, flooring, rear deck, and sheet rock. He explained that with these improvements the house will be worth well over \$130k. He suggests putting together a detailed scope of work and put it out to contractors to bid.

Mr. Mitchell went on to explain a Community Action Team program called acquisition rehab. The program is a partnership between the new home owner and CAT where they purchase foreclosed homes and fix them up. With the market the way it is now, they aren't able to purchase foreclosed for a reasonable amount anymore. Now they have a program that encourages sweat equity home owner repairs. This home could be a candidate for such a program. Councilor Seager inquired as to if CAT could do the project for \$50,000. Mr. Mitchell stated that he thinks they could, but they wouldn't make any money on the project. Mr. Mitchell explained how the program could work for the Cemetery House.

Councilor McNair inquired about Option 2b and if the house was sold for \$130,000 +, what the portion of the sale price would be for CAT. City Administrator Mitchell stated that it would be a predetermined percentage. Mr. Mitchell explained that he wasn't sure as he hasn't done one of these before. Typical contractors profit and overhead is 20%. The percentage would be calculated off of the improvements (\$50,000 est.) not the overall sale price.

Councilor Seager spoke in favor of Option #3 as it would be the most return to the City. Mr. Mitchell explained that the City could minimize their risk by developing a very specific scope of work for the project. He suggests hiring an engineer, like Andrew Niemi, to design the layout of the house in order to get the second bedroom in there. Mrs. Mitchell explained that if Council chose option #1, the City would surplus the house then it would be sold. For Option #3, The City would first do the improvements, then surplus the house and sell it. The group then discussed the potential for a licensed contractor to redesign the layout rather than an engineer.

Councilor McNair expressed his desire to pursue the sweat equity CAT team program. Mr. Mitchell explained that he has surprisingly not had a great response to the project in Vernonia. Councilor Hult also likes the idea, but explained that that direction may be a difficult sell. Councilor Seager explained that he would like to see the most money possible put into the cemetery fund from the sale of the house.

Consensus of Council is for staff to bring back for formal decision from Council at the next Council Meeting. Staff will bring back that they will put together a scope of work and get bids for the improvements so Council can decide if Option #3 is the direction they would like to go.

### **Adjournment**

Mayor Leonetti adjourned the meeting at 6:54 pm.

These minutes were approved at the January 16<sup>th</sup>, 2108 City Council Meeting.

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Stephanie Borst, City Recorder

  
Mario Leonetti, Mayor