

Mayor Jeffrey Farley called the meeting to order and announced that the council is going into closed session per Government Code 54954.5, Public Employee Performance Evaluation; City Manager Jay Parrish. Present for the session were Mayor Farley, Councilmen Mierzwa, Maxwell, and Titus as well as City Manager Parrish. Councilman Lorenzen was absent. The Council came out of closed session at 6:45pm. There was no reportable action from the closed session.

Mayor Jeffrey Farley called the regular meeting to order at 7:00 pm. Councilmen Ken Mierzwa, John Maxwell, Stuart Titus and Niels Lorenzen as well as staff City Manager Jay Parrish, City Clerk Nancy Kaytis-Slocum, Finance Manager Deb Austrus, Chief Bret Smith along with WWTP Project Manager Kent Hanford and Consultant Elizabeth Conner were in attendance. Those present pledged allegiance to the flag.

MOTION: (Titus/Mierzwa) Approve Resolution 2011-01 certifying the November 2, 2010 Election results. The City Clerk recited the Oaths of Office with Mayor Jeffrey Farley, Councilman John Maxwell and Councilman Niels Lorenzen.

There were no Modifications to the Agenda and nothing to report out of Closed Session.

Public Comment: Duane Martin is concerned that an item he brought up last month during public comment is not on the agenda regarding whether Ferndale Housing equity will be used for other needs in the city. Mayor Farley asked that this be put on the February agenda.

Consent calendar. The City Clerk asked to add page 14A to the agenda packet, the USDA checkbook register, which was inadvertently left out of the agenda packet. Members of the council as well as the media received a copy of the missing page. MOTION: (Maxwell/Titus) Accept Accounts Payable and Approve the minutes for December 2, 2010. Motion carried with an abstention from Councilman Lorenzen.

Consultant Elizabeth Conner gave an update on Ferndale Housing. During this meeting, the next step would be for the City Council to appoint the City Council as Board of Directors for the non-profit organization called Ferndale Housing. Phil Aycoc, City Accountant, will schedule a meeting of the Board, with the initial meeting's business to possibly be: Election of Officers, authorize obtaining a federal ID number; establish a bank account; direction to draft bylaws; direction to obtain federal and state tax exempt status and establish initial funding of the Corporation. A property management firm will have to be chosen and there should be discussion on rules and policies. The Navy will be conducting the conveyance within a month. We are on schedule. We have been researching municipal financial law and our ability to borrow funds. The board will need to select a preferred contractor, and the final Market Study will be ready on February 11, 2011. We are obtaining quotes on mold assessment and abatement from three area professionals. The RFP for a contractor is being written; we are getting infrastructure bids from three companies on propane. We are assessing drainage problems in the area, and looking at grant money for energy efficiency retrofit. The City will be borrowing \$500,000 to \$700,000 for rehabilitation. We estimated high on much of the work needed. Speaking from the public were Duane Martin and Dick Hooley discussing the Market Study, feasibility of rental, waiting for the Market Study before accepting the transfer and does the Navy have the right to rescind their offer? MOTION: (Titus/Maxwell) Direct Staff to memorialize by resolution the appointment of the City Council as the Board of Directors for the non-profit organization called Ferndale Housing. All in favor.

Progress Pay Request for the Wastewater Treatment Plant (WWTP): Kent Hanford, Resident Project Representative reported that we are going into our sixth month of construction. The site has remained dry allowing for deliveries of material and access for workers. The slab was poured on December 15th. Within two to three weeks we'll have the foundation in place; in five to six weeks the building should be up. We are 1/3 of the way done with construction. He is currently waiting for change order figures. In answer to Councilman Mierzwa, Hanford related that the cost implication is about \$100,000 for another change order. The changes he presents will be laid out with scope and cost. The council would like to see the figures before the meeting. Hanford relayed that within two weeks he will have a better idea of when the change orders will be ready. MOTION:

(Titus/Mierzwa) Approve Resolution 2011-02 Approval of 5th Progress Pay Request for Management and Construction Related Costs for the WWTP. All in favor. The City Council wants to see the change orders as soon as possible, perhaps in a study session an hour before the next meeting.

City Manager contract amendment: Presently, the contract states that the City Manager will work for 32 hours a week. For the last four years, Mr. Parrish has tried to do the job in 32 hours, but continues to put in 40+ hours a week. He is asking that the council amend the contract to include a 40 hour workweek and be compensated accordingly. After a lengthy discussion during which the City Manager was praised for his work, the following motion was made: MOTION: (Titus/Farley) As a way of expressing our appreciation of the City Manager's performance I propose a 10% increase in his salary, retroactive to January 1, 2011, with another performance evaluation scheduled for the June meeting with the possibility of another adjustment then and another evaluation at the conclusion of the WWTP. Four ayes with one nay from Lorenzen.

MOTION: (Titus/Mierzwa) Approve Resolution 2011-03 Establishing the City Council meeting schedule from February 2011 through January 2012. All in favor.

MOTION (Mierzwa/Maxwell) Confirm the mayor's recommendations as listed for appointees and alternates to various organizations to which the city belongs. All in favor.

MOTION: (Titus/Maxwell) Approve Resolution No. 2011-04: Annual Events and Parades Street Closures. All in favor.

Building Inspector and Construction Code Adoption: A couple of changes were made in the Ordinance: §6.01.1d, spelling error corrected; added 6.01.1k Green Code; and removed 6.01.3b. MOTION: (Titus/Maxwell) Approve First Reading of Ordinance 2011-01 Building Inspector – Construction Code Ordinance by title only and direct staff to set for Second reading and possible adoption at the February meeting. All in favor.

City Council Orientation Study Session: The City Council agreed that the orientation should begin with Rosenberg's Rules of Order on Thursday, January 20, 2011, at 5:30pm at Ferndale City Hall.

Caroline Titus, publisher of the Ferndale Enterprise praised Jay Parrish for the work he has done for the City of Ferndale. Jay Parrish thanked his staff for their help.

The meeting was adjourned at 9:00 pm. The next regular council meeting will be February 3, 2011.

Respectfully Submitted:

Nancy Kaytis-Slocum

City Clerk