

*Rio Dell City Hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
cityofriodell.ca.gov*



June 3, 2025

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion to Develop Priorities for FY 2025-26

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the final 2025 prioritization.

BACKGROUND AND DISCUSSION

The Rio Dell City Council conducted their annual priority-setting session for fiscal year 2025-2026, continuing discussions from the May 20, 2025 regular meeting. City Manager Knopp facilitated the process to identify and consolidate individual councilmember priorities into collective city goals.

Each councilmember submitted their top five priorities:

- Mayor Garnes: Police staffing/organization, code enforcement, parks/open spaces, economic development, public safety
- Mayor Pro Tem Carter: Parks, code enforcement, public works infrastructure, public safety, community development
- Councilmember Orr: Public works, police staffing & retention, nuisance abatement, Wildwood business beautification, juvenile involvement
- Councilmember Wilson: Meat processing plant development, downtown business district, earthquake repairs, law enforcement recruitment, public works retention
- Councilmember Woodall: Infrastructure project closeout, 24-hour police coverage, code enforcement, public works, Main Street median refurbishing

After categorizing all individual priorities, the collective results showed:

1. Public Safety (8 votes) - Primary focus on police department staffing and 24-hour coverage
2. Economic Development (6 votes) - Including downtown revitalization and business development
3. Public Works (4 votes) - Infrastructure maintenance and staffing needs
4. Personnel (2 votes) - Staff retention and recruitment
5. Other categories received 1-3 votes each (Community Development, Finance, Planning/Building)

Key Financial Considerations

- \$801,000 in American Rescue Plan Act (ARPA) funding available, with \$600,000 requiring allocation by December 31, 2024
- Funds must be spent by 2026 to avoid returning money to federal government
- Cannabis industry revenue declining significantly, requiring budget adjustments
- Long-term sustainability concerns regarding police department funding

Department heads identified specific needs including public works staffing reassignment, SCADA system implementation, water infrastructure projects, and the need for a full-time Public Works Director to oversee grant management and project coordination.

The Council reached consensus to accept the top five priority areas and will revisit establishing an Economic Development Ad Hoc Committee.

2021	2022	2023	2024	2025
Economic Development	Economic Development Plan Implementation	Economic Development Implementation	Public Works	Public Safety
Code Enforcement	Measure U/J Extension	Community Development	Public Safety Staffing	Economic Development
Staff Turnover Reduction	Personnel	Public Works - Underground Infrastructure	Economic Development	Public Works
Cannabis Expansion	Todd Property	Personnel	Street Planning & Work	PD Personnel
SB 1383-Organic Waste	Infrastructure	Public Safety	Parks & Youth	Parks & Youth

Attachments:

1. Draft minutes from May 27, 2025 special meeting.

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**MAY 27, 2025
SPECIAL MEETING MINUTES
Page 2**

project. If there is no additional funding for the project, it will be next to impossible to do, as water and sewer funds are already allocated for other projects. He pointed out that this project is one of the State's high priorities for funding.

Councilmember Wilson questioned the timeline for the next phase of funding.

City Manager Knopp noted that once the State budget is approved, it would take them another 6 months to get to the next phase for possible funding.

A motion was made by Carter/Woodall to adopt Resolution No. 1633-2025 Approving a Funding Agreement with the State Water Resources Control Board to Receive a \$1,490,550 Grant for the Project and Further Authorizing the City Manager to Act on the City's Behalf as the Authorized Agent to Carry Out the Responsibilities of the Funding Agreement. The motion carried 4-0.

Provide Staff Direction on the Development of City Council Priorities for FY 2025-2026

City Manager Knopp provided a staff report and said that this is a continuation of the priority setting session from the May 20, 2025, regular meeting. He said that Councilmembers are asked to develop a list of five priorities that will then be collectively arranged and presented to the Council at the June 3, 2025, regular meeting.

He referred the Council to the draft minutes from the May 20, 2025, regular meeting outlining the individual priorities of each council member.

Staff continued with the traditional exercise of placing the individual priorities identified on colored post-it notes on a board under the associated subject matter. The results were as follows:

• Public Safety	-	8
• Economic Development	-	6
• Public Works	-	4
• Personnel	-	2
• Community Development	-	1
• Transparency	-	0
• Finance	-	1
• Planning/Building	-	1
• Other	-	3

City Manager Knopp pointed out that some of the items overlap into other categories and noted that Code Enforcement doesn't always involve public safety, and staff retention for the police department could either be listed under Public Safety or Personnel.

MAY 27, 2025
SPECIAL MEETING MINUTES
Page 3

Mayor Pro Tem Carter said that regarding Economic Development, instead of identifying it under one umbrella term, she suggested an Economic Development Ad Hoc Committee be reestablished to zero in on specific priorities, such as moving forward with the implementation of a commercial vacant building tax.

City Manager Knopp distributed to council members a copy of the ***City of Rio Dell Economic Development Ad Hoc Goals and Actions to Achieve Economic Development 2021.***

He reviewed the goals and objectives of the Ad Hoc as well as recent successes and the Immediate Action Plan (IAP). He commented on the success of the IAP and said that the Council needs to look at the next steps in developing an updated Economic Development Plan since the landscape has somewhat changed.

City Manager Knopp reviewed the summary chart of the priorities from the last five years as a very broad summary of the priorities.

Councilmember Woodall asked Water/Roadways Superintendent Jensen what he sees as priorities for the public works department.

Water/Roadways Superintendent Jensen identified staffing as a priority with reassignment of duties, the Painter Street Upsizing Project, and one new utility truck this year, followed by a new dump truck as funding is available. Some of the capital projects included the SCADA System, the Monument Water Line Project, the Water CIP, and 6 or 7 items related to wastewater.

Councilmember Woodall then asked Finance Director Sanborn what his priorities were for the finance department.

Finance Director Sanborn explained that the City received \$801,000 in American Rescue Plan Act (ARPA) funding, which could be spent on anything city-related. The City had until 12/31/24 to allocate the rest of those ARPA funds, which were approximately \$600,000, and the funding must be spent by 2026, identifying that as a priority to avoid returning the money. He said that with a new auditor on board, staff need to understand those needs and also close out grants without a hitch.

Councilmember Woodall asked City Manager Knopp what his priorities were for the City.

City Manager Knopp said that the City has always faced a sustainability question and how to get revenue into the City to accomplish projects that need to be done. The sludge dryer, as an example, has issues that have to be solved along with other important projects. The problem is that they all have a dollar amount attached to them, so fundamentally, the City

MAY 27, 2025
SPECIAL MEETING MINUTES
Page 4

has to have adequate revenue coming in to fund these projects. He identified staff retention as another concern.

He noted that the most disappointing thing is the loss of the Todd property for potential economic development opportunities. In terms of budget allocations, he thought the City was doing okay, but is concerned about the long-term trajectory of being able to afford a police department where expenses only increase. There is a strong desire of the community to increase the level of services, but the City does not have the tax revenues to expand the department. As such, the goal is to make small adjustments here and there as soon as possible to prepare for a potential economic decline or changes in the cannabis industry. He said he got the message loud and clear from the City Council from the time he started that public safety was a priority, but maintaining a small police department has been one of the City's biggest challenges.

In addition, Public Works has a number of deferred maintenance issues that go back for years, and the City is dependent on the State for grants; otherwise, not much can get accomplished, and the City is tapped out on what it can charge ratepayers.

He noted that the most progress over recent years was related to water, including the development of a backup water supply and the water infrastructure project, which is now underway.

City Manager Knopp said in terms of prioritization, one thing that should be considered is the recruitment of a full-time Public Works Director. He stressed the importance of having someone on staff to "birddog" and oversee projects.

He pointed out that the City has made progress on some of the City Council's top priorities and suggested the current focus be on big-ticket items.

Councilmember Woodall asked who typically searches for grants for the City.

City Manager Knopp indicated that sometimes it is the City Engineer or City staff. He noted that Community Development Director Caldwell spearheaded the effort for the ADA portion of the Eel River Trail Project through the Wildlife Conservation Board and that the City Manager wrote the Clean California Grant.

Councilmember Wilson commented that the Water and Sewer Department and the Police Department make the City run. He said that other cities have given up on the idea of having a police department, but the City Council doesn't want to do that, as it is not productive to have the Sheriff's Department handle public safety. It would not only be a financial burden to the City, but the Public Works Department would likely turn into a Community Services District (CSD).

MAY 27, 2025
SPECIAL MEETING MINUTES
Page 5

He emphasized that the cannabis industry is not coming back to what it was, at \$3,000 a pound. He said that the City should take any cannabis revenue that is there and face the fact that the industry is going away.

He pointed out that storefronts are boarded up all over Eureka, and they have an Economic Development Department that is larger than the entire Rio Dell staff. He said that unless the City brings in an Economic Development Specialist, nothing will change. He suggested spending funds to promote economic development in the meantime.

The consensus of the Council was to accept the top five priorities as noted above and to revisit the re-establishment of an Economic Development Ad Hoc Committee. Staff will bring the top five priorities back to the Council at the next meeting for final approval.

ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Conference with Labor Negotiator - Agency Negotiator: City Manager – Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association, and All Contract Employees (Gov't Code §54957.6)

The Council recessed into closed session at 5:20 p.m. to discuss the above matter.

The Council reconvened into open session at 5:57 p.m. Mayor Garnes announced that there was nothing to report out of closed session.

ADJOURNMENT

The special meeting was adjourned at 5:58 p.m. to the June 3, 2025, regular meeting.

Debra Garnes, Mayor

Karen Dunham, City Clerk