



RIO DELL CITY COUNCIL
SPECIAL MEETING – 4:30 P.M.
MONDAY, MAY 4TH, 2026
City Council Chambers
675 Wildwood Avenue, Rio Dell

A. CALL TO ORDER

The special meeting of the Rio Dell City Council was called to order at approximately 4:30 PM.

B. ROLL CALL

Present:

- Mayor Garnes
- Mayor Pro Tem Carter
- Council Member Woodall
- Council Member Wilson

Absent:

- Council Member Orr (Excused)

Staff Present:

- City Manager Knopp
- Finance Director Sanborn
- Community Development Director Caldwell
- City Clerk Hill
- Additional staff present as noted during discussion

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

D. CEREMONIAL MATTERS

None.

E. PUBLIC PRESENTATIONS

Mayor Garnes announced the public presentations portion of the meeting.

No public presentations were made.

F. CONSENT CALENDAR

None.

G. ITEMS REMOVED FROM THE CONSENT CALENDAR

None.

H. REPORTS/STAFF COMMUNICATIONS

None.

I. SPECIAL PRESENTATIONS/STUDY SESSIONS

None.

J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS

1. City Council Priority Setting Session for FY 2026-2027 (Item 2026/0505.01)

City Manager Knopp introduced the annual priority-setting discussion, explaining that the purpose of the session was to help inform the City's FY 2026-27 budget, departmental work plans, and grant strategy. He noted several important fiscal and operational conditions facing the City, including:

- Ongoing expenditures related to earthquake recovery projects, with water and sewer capital balances expected to be drawn down while awaiting anticipated State reimbursement through the California Disaster Assistance Act.
- Declining sales tax revenues, consistent with trends being experienced by other jurisdictions, in part due to the way online sales tax is distributed.
- Rising costs for insurance, employee benefits, and operations.
- The City currently being fully staffed across departments, including Police, Public Works, Finance, and administrative positions, which is a positive development but also results in a "full boat" budget without the salary savings that have existed in prior years from vacancies.
- Progress made during the previous year on Council priorities related to public safety, personnel, economic development, and parks/youth.
- Continued work on economic development efforts, including expansion at Northwestern Flower Company, progress on downtown façade efforts, code enforcement activity, and State coordination related to the CAL FIRE property and a recent \$1.5 million earmark for property acquisition in support of future development.

City Manager Knopp encouraged the Council to focus discussion on broad priorities that would guide near-term budget decisions as well as longer-range project preparation.

Council Discussion

Mayor Pro Tem Carter emphasized the importance of developing more shovel-ready projects so that Rio Dell can compete effectively for grants as opportunities arise. She referenced a recent City Leaders Summit presentation describing how a similarly sized city had substantially increased outside funding by investing in predevelopment work for projects that were ready to submit when grant programs opened. She noted possible future opportunities related to Proposition 4, water storage, and parks funding, and suggested that identifying and preparing a handful of viable projects should be a City priority.

Council Member Woodall stated that Second Street should remain a priority, noting that it is often discussed and then deferred. Discussion followed regarding underground infrastructure work already underway in the area, including water line replacements, sewer issues, and storm drainage constraints. City Manager Knopp explained that staff are examining ways to address the remaining underground deficiencies, including possible use of remaining ARPA funds on portions of the corridor so that surface improvements can be pursued later.

Council Member Woodall also stated that code enforcement should remain a priority and commended the Police Department and staff for the work currently being done.

Council Member Wilson stated that economic development should remain a top priority and made a detailed case for the City to proactively pursue major business recruitment opportunities at the Rio Dell Business Park, specifically referencing the public discussion around a possible Amazon distribution facility elsewhere in Humboldt County. He argued that Rio Dell should present itself as a willing and business-friendly alternative location, citing the Business Park's location, available land, highway access, and improving utility capacity. He stated that successful recruitment of a major employer could generate jobs, increase property values, and expand the City's revenue base. He also suggested that if the City is serious about economic development, it may need to consider professional consulting assistance or a contractor with expertise in business attraction and negotiations.

In response, other Council members generally agreed that large-scale business recruitment fits under the broader umbrella of economic development, though Mayor Garnes and others emphasized that the City should avoid focusing so narrowly on one prospect that it neglects other economic opportunities. City Manager Knopp noted that being able to demonstrate unified Council support is often helpful when discussing development opportunities with outside entities.

Council Member Woodall and other members also discussed the importance of maintaining positive communication and competitiveness with City personnel, so the City can retain trained employees and avoid becoming a revolving door where staff leave for modestly better pay elsewhere in the region.

Staff Input

During the discussion, City Manager Knopp and staff offered additional context on several topics:

- Finance / Fiscal Stability: Finance staff are under significant pressure managing cash flow for multiple large projects. City Manager Knopp emphasized that the Council should be cautious about overcommitting the City to projects or obligations that cannot be sustained long-term.
- Parks / Amenity Projects: While grants for parks and beautification can be beneficial, staff cautioned that the Council should weigh long-term maintenance costs and operating obligations before expanding facilities.
- Community Development / Shovel-Ready Projects: Some future projects could fall under community development more broadly, especially where grant competitiveness depends on aligning projects with evolving State funding criteria.
- Public Works Long-Range Needs: Staff discussed longer-term infrastructure needs such as additional sewer-related work on the Avenues, system improvements needed to support development, and other expensive projects that may require 10-year planning horizons and grant support.
- Water / Sewer Rates: Finance Director Sanborn noted that the City is nearing the end of its current five-year water and sewer rate schedule, and that a new rate study will likely be needed. He explained that costs are continuing to rise faster than the prior rate projections anticipated, and that maintaining system stability and staff retention will require ongoing financial planning.

Additional Discussion Topics

The Council briefly discussed the Scotia wastewater situation and the possibility that future State-driven discussions could affect Rio Dell. City Manager Knopp noted that the issue is complex, with legal, financial, environmental, and operational implications, and stated that it may warrant a future standalone agenda item. He added that any involvement by Rio Dell would need to protect the City's interests and ensure reimbursement for staff time and technical work.

Session Outcome

The Council reached a general consensus that the most significant themes emerging from the discussion were:

- Economic Development
- Preparation of Shovel-Ready / Grant-Competitive Projects
- Public Safety
- Personnel Retention / Staff Competitiveness
- Code Enforcement
- Fiscal Stability / Sustainable Long-Term Commitments

City Manager Knopp stated that staff would organize the Council's comments and bring back a formal item at a future meeting for adoption of the FY 2026-27 priorities.

K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

None.

L. COUNCIL REPORTS/COMMUNICATIONS

None.

M. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

The following items were announced for closed session:

1. Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4): One Potential Case (Item 2026/0505.02)
2. 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) (Item 2026/0505.03)

Added Urgency Item Discussion

Before recessing, the Council discussed whether to add an urgency item related to the City's agreement with Miranda's Rescue. A motion and second were made to add the item in open session, and the vote was unanimous among the members present.

However, after consultation with legal counsel, the Council was advised that the agenda could not be amended in that manner during the special meeting. Legal counsel clarified that the matter could instead be brought up at the following regular meeting under the proper procedure.

As a result, no discussion or action was taken on the Miranda's Rescue matter during this meeting.

N. PUBLIC COMMENT REGARDING CLOSED SESSION

No public comments regarding closed session were made.

O. RECESS INTO CLOSED SESSION

The Council recessed into closed session.

P. RECONVENE INTO OPEN SESSION

The Council reconvened into open session.

Q. ORAL ANNOUNCEMENTS

Mayor Garnes announced that there was no reportable action from the closed session.

R. ADJOURNMENT

The special meeting was adjourned to the regular City Council meeting scheduled for Tuesday, May 5, 2026, at 6:00 PM.

APPROVED:

Mayor Garnes

ATTEST:

Jessica Hill, City Clerk