

**REGIONAL RURAL REVITALIZATION
Board Meeting
Monday, June 26, 2023**

**City of Burns Council Chambers
242 S Broadway Burns, Oregon 97720**

6:00 P.M.

**THE PUBLIC IS WELCOME AND ENCOURAGED TO JOIN THE MEETING
VIRTUALLY VIA ZOOM**

Members of the public and media wishing to address the board of directors during any public comment period will be able to join the webinar as an “attendee.” Attendees will be able to view the webinar on a desktop, laptop or mobile device such as a smartphone or iPad by using the following link:

<https://us02web.zoom.us/j/9020143459> Meeting ID: 902 014 3459

- 1. OPEN AND ROLL CALL**
- 2. APPEARANCE OF INTERESTED CITIZENS**

Members of the public desiring to address the board shall first be recognized by the presiding officer and then state their name and address for the record. Unless otherwise designated by the presiding officer, each person shall have up to three (3) minutes to present their comments. The board of directors and staff normally will not directly respond to a public comment during the public comment period. Board and staff member comments will be held until the Board comment period.

- 3. CONSENT AGENDA**

Information concerning matters listed in the Consent Agenda has been distributed to each board member for reading and study, is routine, or will be enacted or approved by one motion of the council without separate discussion. If separate discussion is desired concerning a particular matter listed in the Consent Agenda, that matter may be removed from the Consent Agenda and placed on the regular agenda by request of any board member.

Attachments:

- Legal Services Engagement Letter from Beery, Elsner & Hammond, LLP (BEH) to serve as general legal counsel to R3 Strategies Consortium

NEW BUSINESS

- 4. FUNDING STATUS UPDATE & ADMINISTRATIVE APPOINTMENTS**

Attachments:

- R3 Consortium Revised IGA

5. MANAGING DIRECTOR RECRUITMENT

Attachments:

- IGA Schedule 4.2.2

6. GENERAL ACCOUNTING SERVICES REQUEST FOR PROPOSALS

Attachments:

- RFP 2023-01 (Draft)

7. AUDITOR SERVICES REQUEST FOR PROPOSALS

Attachments:

- RFP 2023-02 (Draft)

PRIOR BUSINESS // CONTINUED MATTERS

8. BIANNUAL REQUEST FOR QUALIFICATIONS

Attachments:

- RFQ 2023-01

9. ANTICIPATED PROJECTS

Attachments:

- Schedule 5.9 – Initial Projects

10. PUBLIC CONTRACTING RULES

Attachments:

- None

GENERAL DISCUSSION AND UPCOMING MEETINGS // TOPICS

11. BOARD COMMENTS AND UPCOMING MEETINGS

Attachments:

- None

SUBJECT: AGENDA ITEM NO. 3 – CONSENT AGENDA

Attachment(s)

- Legal Services Engagement Letter from Beery, Elsner & Hammond, LLP (BEH) to serve as general legal counsel to R3 Strategies Consortium

BACKGROUND

The board requested BEH submit an engagement letter to serve as legal counsel for R3. Their letter is attached and was submitted to the board via email on June 3, 2023.

RECOMMENDED MOTION

Approve the consent agenda as submitted.

Consent Agenda Item A: BEH Engagement letter.

Recommendation: Do pass.

SUBJECT: AGENDA ITEM NO. 4 –FUNDING STATUS UPDATE & ADMINISTRATIVE APPOINTMENTS

Attachment(s)

- R3 Consortium Revised IGA

BACKGROUND

The R3 funding is at \$10 million in General Fund. It has moved to House Bill 3410 and passed the House last week and the Senate this week. It is ready for the Governor’s signature. You can track the bill at this link: <https://olis.oregonlegislature.gov/liz/2023R1/Measures/Overview/HB3410>

The board must discuss the roles and responsibilities it wishes to undertake with these funds. The board also needs to formally appoint a chairperson and co-chair per the terms of the first amended and restated intergovernmental agreement (enclosed).

Based on discussions with Baker City’s city manager, they do not expect to adopt the ordinance and make an appointment to R3 until their first meeting in July and would not be able to join R3 until later next month.

Given the timing of their adoption and the funding, the board should consider moving forward with some administrative appointments, as described herein.

ROLES & RESPONSIBILITIES / ADMINISTRATIVE APPOINTMENTS

Board chair and co-chair appointments. Section 3.1 of the IGA states, “Each fiscal year the Board will elect a chairperson and vice-chairperson from its membership, each of whom will serve a one-year term; provided, however, no Board member will serve more than one year as chairperson in any four-year period. The chairperson will preside over all Board meetings and perform such other duties prescribed by the Board from time to time.”

Recommendation: Appoint a chair and co-chair to facilitate actions like the Consortium’s website and coordinate meeting agendas and minutes.

Housing and Land Development, Policy, and Finance. Each city has proposed housing or land development projects within the revised IGA. These projects are in various stages of development. All require some assistance with contracts, joint development agreements, easements, rights-of-way, proforma development, grants, and loans.

Recommendation: The board should discuss how they plan to coordinate with housing and land developers, integrate these within the policy framework set forth by the state and local jurisdictions, and provide financing instruments (i.e., grant and loan agreements, joint development agreements, etc.) for the projects identified by each community and any regional projects for other entities statewide who may participate in the future.

Urban Renewal Administration. Three of the four cities in the Consortium have similar urban renewal agencies, either adopted or in development. Only Lakeview currently has a permanent, full-time city manager. This can result in risk to the operations of the URAs and their ability to plan and work with housing developers. URA’s are separate legal entities (considered a blended component unit for accounting purposes). They require their own budgets and annual financial audits, separate from the founding cities, as well as annual reporting requirements that are unique to URAs.

Recommendation: The board should discuss whether they would like to offer URA administration as a service to the cities, and if so, whether and how to propose this. This could be included in the roles and responsibilities of the managing director or contracted separately.

Planning Services. Three of the four cities in the Consortium have no full-time, trained, or professional planning staff and must contract for these services. The fourth, Baker, uses a combined planning department shared with Baker County. Planning is an essential component of housing development and, like the URA, can require complex applications to be prepared per local codes and state and federal requirements.

Recommendation: The board should discuss whether they would like to offer planning services to the cities, and if so, whether and how to propose this. This could be included in the roles and responsibilities of the managing director or contracted separately.

Regional Economic & Community Development. The Consortium can provide regional economic development assistance, either directly or through third parties like Oregon RAIN, the Ford Family Foundation's Growing Rural Oregon (GRO) program, or nonprofit entities like Wallowa Resources. These projects are managed at the municipal level for some cities or regionally through regional economic development agencies like the Greater Eastern Oregon Development Corporation (GEODC) or South Central Oregon Economic Development District (SCOEDD). Given the vast geographical area of these entities, R3 could facilitate more direct engagement in community-led projects like broadband infrastructure planning, grant coordination, and community development in partnership with these agencies.

Recommendation: The board should discuss whether they would like to offer regional economic development services to the cities, and if so, whether and how to propose this. This could be included in the roles and responsibilities of the managing director or contracted separately.

SUMMARY

During the last board meeting, the board discussed letting the mission of R3 as an agency and letting the mission drive the recruiting and selection of the managing director and support staff. These core functions, if approved by the board, would need to be reflected in those future recruitments.

SUBJECT: AGENDA ITEM NO. 5 – MANAGING DIRECTOR RECRUITMENT

Attachment(s)

- IGA Schedule 4.2.2

BACKGROUND

The IGA establishes roles and responsibilities for the Consortium’s Managing Director in Schedule 4.2.2 (enclosed).

This item discusses options for the board to discuss for the managing director’s recruitment.

DISCUSSION

The board has several options for recruiting the managing director. Option 1 relates to government employment. Options 2-3 are for contract appointments.

- 1) **Hiring a Government Employee.** The board can publish a solicitation for a new government position, similar to the recruitment process for a city manager. This would require selecting a recruiting firm, developing a job description and position profile, recruiting candidates, interviewing candidates, making a hiring selection decision, and negotiating an employment agreement. This approach will take approximately 120-180 days to complete.

As the local contract review board for R3, the board of directors can designate certain service contracts or classes of service contracts as personal services contracts by ordinance, resolution, administrative rule or other regulation.

"Personal Service(s)" is defined to include those services that require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgment, and for which the quality of the service depends on attributes that are unique to the service provider. Such services include, without limitation, the following: attorneys, accountants, auditors, and other licensed professionals; computer programmers; artists; graphic designers; performers; and consultants.

Except as provided in ORS 279A.140 (State procurement of goods and services), a contracting agency may enter into personal services contracts through any of the methods below.

- 2) **Direct Appointment/Informal Selection.** A managing director contract can be directly appointed, or awarded from proposals that are solicited informally, either orally or in writing.
- 3) **Written RFP/Competitive Solicitation.** The board can publish an RFP and state the specific selection criteria and qualifications for the proposers to be evaluated against. Selection may be based on criteria, including, without limitation, each proposer's: (a) particular capability to perform the services required; (b) experienced staff available to perform the services required, including each proposer's recent, current, and projected workloads; (c) performance history; (d) approach and philosophy used in providing services; (e) fees or costs; and (f) ability to provide timely performance in the area where the services are to be performed. Price may be considered, but need not be the determining factor.

Option 1 should be coordinated with legal counsel and a recruiting firm. Either option 2 or 3 should be conducted in close coordination with the board’s legal counsel.

NEXT STEPS

Determine the method of recruitment and begin the recruitment process.

AGENDA ITEM NO. 6 – GENERAL ACCOUNTING SERVICES REQUEST FOR PROPOSALS

Attachment(s)

- RFP-2023-01 (Draft)

BACKGROUND

RFP-2023-01 requests proposals from certified accounting firms to assist with R3's financial management and grant reporting.

DISCUSSION

The scope of work for these services is enclosed in the RFP and should be reviewed by the board of directors.

RECOMMENDED MOTION

Approve publication of RFP-2023-01, subject to final legal review.

AGENDA ITEM NO. 7– AUDITOR SERVICES REQUEST FOR PROPOSALS

Attachment(s)

- RFP-2023-02 (Draft)

BACKGROUND

RFP-2023-02 requests proposals from certified accounting firms to assist with R3’s annual financial statements, annual audit, and single scope federal audit.

DISCUSSION

The scope of work for these services is enclosed in the RFP and should be reviewed by the board of directors.

RECOMMENDED MOTION

Approve publication of RFP-2023-02, subject to final legal review.

AGENDA ITEM NO. 8 – BIENNIAL REQUEST FOR QUALIFICATIONS

Attachment(s)

- RFQ-2023-01

BACKGROUND

The board directed staff to prepare the biennial RFQ for publication at its last meeting.

NEXT STEPS

Draft publication is attached for board review and approval. Proposals are due August 15, 2023 by 4:00 p.m.

RECOMMENDED MOTION

Approve publication of RFQ-2023-01, subject to final legal review.

SUBJECT: AGENDA ITEM NO. 9 – ANTICIPATED PROJECTS

Attachment(s)

- Schedule 5.9 – Initial Projects (from Revised IGA)

BACKGROUND

The first amended and restated IGA includes anticipated projects from each founding party. This has been updated to reflect projects for John Day and Baker (enclosed).

The Board will need to determine a standard method for evaluating its investments in these and other projects funded through the DAS grant under House Bill 3410.

The Consortium has also been asked to oversee a congressionally directed spending request for the City of Mitchell, discussed below.

DISCUSSION

Burns Projects. Listed in the attached.

Lakeview Projects. Listed in the attached.

John Day Projects. Listed in the attached.

Baker Projects. Listed in the attached.

Mitchell Project. Mitchell requested assistance for a land exchange with the federal government to provide them with approximately 600 acres of land adjacent to their city limits. This land would be restricted for use in promoting their recreation economy. The project was submitted to the Senate as an FY24 Congressionally Directed Spending Request and would be funded by that source if awarded.

Regional Projects. HB funding is available to communities under 50,000 residents. Board should discuss method for approaching these potential projects.

SUBJECT: AGENDA ITEM NO. 10 – PUBLIC CONTRACTING RULES

Attachment(s)

- None

BACKGROUND

Per IGA Section 4.1, the Consortium’s managing director may enter into contracts subject to and in accordance with the IGA, Laws (defined in the IGA) and all Board policies (including, without limitation, all applicable public contracting rules and procedures).

R3 anticipates receiving funds from state and federal sources, including funding to be provided by the Department of Administrative Services (DAS) through HB3138. The Board should adopt a public contracting rules and procedures that include compliance with the DAS personal services requirements.

These public contracting rules will guide the expenditures of R3’s funding and will act as a reference guide for the board to follow when procuring goods and services by establishing the methods for procurement, dollar thresholds for various selection procedures, and procurement authorities delegated to staff versus those reserved for the board of directors.

DISCUSSION

A contracting agency may adopt its own rules of procedure per ORS 279A.065(6) by prescribing the rules of procedure the agency will use. Alternatively, the agency will be subject to the model rules adopted by the Attorney General, as defined in ORS 279A.070.

A local contract review board by ordinance, resolution, administrative rule or other regulation may also designate certain service contracts or classes of service contracts as personal services per ORS 279A.055.

NEXT STEPS

The board should move to coordinate with legal counsel to develop public contracting rules in accordance with the above referenced statutes.

SUBJECT: AGENDA ITEM NO. 11 – BOARD COMMENTS & UPCOMING MEETINGS

Attachment(s)

- None

BACKGROUND

Board members may discuss topics of their choosing or suggest future agenda items.

UPCOMING MEETINGS

The Board should discuss when to hold their next meeting.

TBD July – Board Meeting

TBD August – Board Meeting