

The Board met in a Regular Meeting at the Santa Cruz County Complex, 2150 N. Congress Drive, Room #120, Nogales, AZ. Present: Rudy Molera, Chairman; John Fanning, Vice-Chairman; Luis Carlos Davis, Member; Jesus Valdez, County Manager; Christopher Young, Deputy County Manager; Robert May, Civil Bureau Chief; Maria Martinez, Assistant Finance Director; Alma Schultz, Clerk of the Board.

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chairman Molera called the meeting to order, and the Pledge of Allegiance was recited, led by Kerri Munoz.

ADOPTION OF AGENDA

Supervisor Davis made a motion to adopt the Agenda, allow the Chair to deviate and remove Item 3; seconded by Vice-Chairman Fanning; motion carried unanimously. (Ayes: Davis, Fanning, Molera)

CALL TO THE PUBLIC:

Susan Faubion, a resident of Rio Rico, stated that she has been without plumbing since July 15, 2025, following the installation of her septic line on a neighboring property, where the line was recently cut. She also noted that the land providing access to the system was sold without clearly established easement rights.

Bonnie Titre, a resident of Rio Rico, spoke about the Vatore lots. She requested that the County offer them to individuals who have expressed interest, and she is willing to uphold the existing restrictions on the property. She also addressed flooding issues in Rio Rico, emphasizing that this is the reason conservation lots were established.

CURRENT EVENTS

1. BOARD OF SUPERVISORS

SUPERVISOR DAVIS: Met with the Council on Aging and reconnected with Mr. Carranza, a former community educator; toured Crossroads Mission alongside the County Manager and Deputy County Manager; attended the Veterans Parade and expressed gratitude to all veterans for their service.

VICE-CHAIRMAN FANNING: Participated in a rural water working group meeting to discuss statewide rural water issues and concerns, during which he met with Attorney General Kris Mayes and her staff regarding matters affecting the county; attended a Department of Public Safety Sex Offender Management Board meeting. He also congratulated his brother, Chris Fanning, on being inducted into the Pima County Wall of Fame.

CHAIRMAN MOLERA: Attended the Veterans Parade and commended the City of Nogales for a job well done; expressed appreciation for those who made the ultimate sacrifice. He was also visited by Dr. Bejarano, a former educator and his first teaching supervisor, along with Dr. Bejarano's wife. Chairman Molera noted that Dr. Bejarano is a valued member of the community and has made a meaningful impact as an educator.

2. MANAGER

JESUS VALDEZ, COUNTY MANAGER, no report.

DEPARTMENT REPORTS AND ACTIVITIES

1. FINANCE: CASH & INVESTMENTS, EXPENDITURES & REVENUE REPORTS

Maria Martinez, Assistant Finance Director, reported \$22,424,800.08 in the General Fund, of which \$16,559,123.27 is invested; \$5,800,027.36 in the Road Fund, of which \$5,121,796.64 is invested; \$3,276,924.13 in the Flood Control District Fund, of which \$308,676.83 is invested; \$7,114,093.59 in the Jail District Fund, of which \$4,399,423.13 is invested; \$61,283,533.16 total for all funds, of which \$28,509,646.05 is invested; \$10,023,366.86 estimated end of month balance, compared to \$9,819,123.56 cash at November 2024, a difference of \$204,243.30.

2. DEPARTMENT(S) UPDATE

Alejandro Paz, County Treasurer, and Maya Donnelly, School Superintendent, provided an update on the press release issued on October 30, which included corrections for taxpayers in School District No. 28. They explained that while the error initially caused challenges, it ultimately helped build a closer working relationship through improved communication and collaboration. Corrected notices will be sent to the affected taxpayers.

Recognition was given to Sara Benatar, Coconino County Treasurer, for her support. Supervisor Molera presented coin tokens to both Mr. Paz and Ms. Benatar. Ms. Benatar remarked that when one county struggles, all counties are affected, which is why she felt compelled to assist and ensure the safeguarding of public funds.

Vice-Chairman Fanning made a motion to recess the General Session and move into Board of Equalization seconded by Supervisor Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

BOARD OF EQUALIZATION

1. DISCUSSION/POSSIBLE ACTION TO APPROVE THE TAX YEAR 2026 APPEAL DECISION – ACCEPTANCE OF THE PETITIONER'S WITHDRAWAL OF PETITION FOR REVIEW OF NOTICE OF CHANGE (REQ: CLERK)

Supervisor Davis made a motion to approve, seconded by Vice-Chairman Fanning; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

The Board adjourned as the Board of Equalization Board and reconvened General Session. (Motion: Vice-Chairman Fanning; second: Supervisor Davis; motion carried unanimously) (Ayes: Davis, Fanning, Molera)

CONSENT AGENDA

Supervisor Davis made a motion to approve Consent Agenda excluding item 3, seconded by Vice-Chairman Fanning; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

1. DISCUSSION/POSSIBLE ACTION TO RATIFY THE COUNTY MANAGER'S APPROVAL AND EXECUTION OF THE SETTLEMENT AGREEMENT DATED OCTOBER 31, 2025, WITH VERTICAL PERFORMANCE AVIATION LLC AND FREEDOM OF FLIGHT INC., RELATED TO THE COUNTY'S VERIFIED COMPLAINT FILED UNDER CASE NUMBER J1201CV2025001124 (REQ: SPECIAL PROJECTS)

2. DISCUSSION/POSSIBLE ACTION TO APPROVE AZTEC FIELD TRAINER GRANT APPLICATION FOR FY 2026, EFFECTIVE THROUGH JUNE 30, 2026 IN THE AMOUNT OF \$25,000 (REQ: CLERK OF THE SUPERIOR COURT)

3. DISCUSSION/POSSIBLE ACTION TO APPROVE COOPERATIVE PURCHASE AGREEMENT INCLUDING QUOTE NO. 2968306 WITH MOTOROLA SOLUTIONS INC. FOR LICENSE PLATE READER SYSTEMS, RELATED SOFTWARE, AND EQUIPMENT IN THE AMOUNT OF \$114,613.83 (REQ: SHERIFF)

4. DISCUSSION/POSSIBLE ACTION TO APPROVE SUBCONTRACTS UNDER THE ARIZONA DEPARTMENT OF HEALTH SERVICES INTERGOVERNMENTAL AGREEMENT NO. CTR0738889 FOR SENIOR HEALTH SERVICES EFFECTIVE THROUGH JUNE 30, 2026, WITH: (REQ: HEALTH SERVICES)

A CONSTRUCTING CIRCLES OF PEACE, INC., IN THE AMOUNT OF \$40,000

B MARIPOSA COMMUNITY HEALTH CENTER, IN THE AMOUNT OF \$45,000

C SANTA CRUZ COUNCIL ON AGING, IN THE AMOUNT OF \$70,000

D SOUTHEAST ARIZONA HEALTH EDUCATION CENTER, IN THE AMOUNT OF \$40,000

5. DISCUSSION/POSSIBLE ACTION TO APPROVE BOND FOR DUPLICATE WARRANT #2-128851 IN THE AMOUNT OF \$1,250.00 DATED 10/15/2025 PAYABLE TO JAMES E. MIZE (REQ: CLERK)

6. APPROVAL OF TAX VALUATION ADJUSTMENTS: (REQ: ASSESSOR)

A 110-22-046 - STANLEY R. DIETZMAN AND ALICE MCARTHUR, RESOLUTION NO. 57299

B 115-16-337 - EARL JAMES OLMOS & CHARLOTTE D. OLMOS, RESOLUTION NO. 57301

C 101-43-137 - JAYDEN LORNE SHUTT & ANA ISABEL CLEMENTE SHUTT TRUSTEES, THE SHUTT FAMILY LIVING TRUST, RESOLUTION NO. 57302

D 101-28-055 - JAYDEN LORNE SHUTT & ANA ISABEL CLEMENTE SHUTT TRUSTEES, THE SHUTT FAMILY LIVING TRUST, RESOLUTION NO. 57303

E 101-28-055 - JAYDEN LORNE SHUTT & ANA ISABEL CLEMENTE SHUTT TRUSTEES, THE SHUTT FAMILY LIVING TRUST, RESOLUTION NO. 57304

F 101-43-137 - JAYDEN LORNE SHUTT & ANA ISABEL CLEMENTE SHUTT TRUSTEES, THE SHUTT FAMILY LIVING TRUST, RESOLUTION NO. 57305

G 112-44-184 - ROBERT D. KEEGAN & ALICIA A. KEEGAN, RESOLUTION NO. 57306

H 112-44-184 - ROBERT D. KEEGAN & ALICIA A. KEEGAN, RESOLUTION NO. 57307

I 111-22-015 - GREEN VALLEY CHURCH OF RELIGIOUS SCIENCE, ARIZONA NON-PROFIT CORPORATION, RESOLUTION NO. 57308

J 102-02-014C - JOSE A. BONORAND, ANNETTE BONORAND, ANTONIETA BONORAND, TEODORO BONORAND AND MAXIMILIANO BONORAND, RESOLUTION NO. 57311

K 113-45-126 - CLEO IRASTORZA PUJOL, RESOLUTION NO. 57312

L 113-45-126 - CLEO IRASTORZA PUJOL, RESOLUTION NO. 57313

M 113-45-126 - CLEO IRASTORZA PUJOL, RESOLUTION NO. 57314

7. APPROVAL OF MINUTES: 11/05/2025 AND 11/13/2025 SPECIAL MEETING

8. APPROVAL OF MONTHLY REPORTS

9. APPROVAL OF DEMANDS were approved in the total amount of \$1,412,252.85, of which \$367,859.99 is from the General Fund. Details of these expenditures are available for inspection during working hours and are to be considered as part of these minutes.

Supervisor Davis made a motion to recess the Regular Meeting to convene into Executive Session seconded by Vice-Chairman Fanning; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

Supervisor Davis asked Robert May, Bureau Chief of the Civil Division, for an explanation regarding the purpose of the executive session. Mr. May provided a brief explanation and referenced attorney-client privilege.

EXECUTIVE SESSION

1. PURSUANT TO A.R.S. § 38-431.03(A)(3), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE AND/OR DIRECTION REGARDING RATIFICATION OF THE LITIGATION RELATED TO THE GUTFAHR EMBEZZLEMENT (REQ: COUNTY ATTORNEY)

The Board adjourned the Executive Session and reconvened into the General Session. (Motion: Supervisor Davis; second: Vice-Chairman Fanning; motion carried unanimously) (Ayes: Davis, Fanning, Molera)

ACTION ITEMS

1. DISCUSSION/POSSIBLE ACTION TO RATIFY, PURSUANT TO A.R.S. 38-431.05(B)(4), ALL LEGAL ACTIONS ON BEHALF OF SANTA CRUZ COUNTY TO RECOVER ANY AND ALL MONIES FROM ALL LIABLE PERSONS AND ENTITIES IN CONNECTION WITH THE GUTFAHR EMBEZZLEMENT. [FOR MORE DETAILED EXPLANATION, SEE SPECIAL NOTICE, MEMORANDUM, AND DETAILED WRITTEN DESCRIPTION (ATTACHED TO ELECTRONIC AGENDA, SPECIFIED WEBPAGES, AND COPIES AVAILABLE AT THE MEETING)] (REQ: COUNTY ATTORNEY)

Chairman Molera asked Mr. May to explain the reason for two motions under the one Action Item, number 1.

Supervisor Davis mentioned that the memorandums are available for the public that records press releases, criminal case history, as well as the civil case that the county has filed and prosecuted, which is also referred to the receiver's case with an attempt to make the county and the district whole. Mr. May agreed.

Vice-Chairman Fanning made a motion to ratify all legal actions on behalf of Santa Cruz County taken by County Management, the County Attorney's Office and the law firms of Snell and Wilmer and Weis Brown to recover any and all monies from all liable and responsible persons and entities as a result of the Gutfaher embezzlement including (1) the County's filing of a lawsuit against Elizabeth Gutfaher, her family, and business entities on August 1, 2024, in Pima County Superior Court, Case No. C20244535;

(2) the County's filing of a lawsuit against the Arizona Auditor General and the State of Arizona on November 14, 2024, in Maricopa County Superior Court, Case No. CV2024-032742; and (3) all legal actions taken by the County's counsel as part of or in connection with those two lawsuits; Seconded by Chairman Molera, the motion carried unanimously. (Ayes: Fanning, Davis, Molera)

Chairman Molera further moved that the Board of Supervisors vote to authorize any other legal action necessary to maintain or pursue legal recourse against the Auditor General and the State relating to or in connection with Maricopa County Superior Court Case No. CV2024-032742; seconded by Vice-Chairman Fanning, motion carried unanimously. (Ayes: Fanning, Davis, Molera)

ADJOURNMENT

The meeting adjourned at 10:38 a.m. (motion: Vice-Chairman Fanning; second: Supervisor Davis; motion carried unanimously. (Ayes: Davis, Fanning, Molera)