

The Board met in a Special 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; Mauricio Chavez, Deputy County Manager; Christopher Young, Deputy County Manager; Robert May, Civil Bureau Chief; 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 Shannon Hall.

ADOPTION OF AGENDA

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

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

Vice-Chairman Fanning asked if there was an opportunity for Ms. Campana to speak. Counsel advised that there was not an item for that posted on the Agenda.

Supervisor Davis asked if counsel could provide discussion in open session after the Executive Session, expressing concern about having too many Executive Sessions for matters of this nature. Mr. May advised that the meeting notice did not specify that the attorneys would be presenting, and if he has a compelling need to provide input, he may do so.

EXECUTIVE SESSION

1. PURSUANT TO A.R.S. § 38-431.03(A)(3) & (4), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE AND/ OR DIRECTION REGARDING THE SETTLEMENT WITH RIO RICO MEDICAL AND FIRE DISTRICT, NOGALES SUBURBAN FIRE DISTRICTS AND POTENTIAL FIRE DISTRICTS COVERING ALL LITIGATION MATTERS RELATED TO THE EMBEZZLEMENT BY THE FORMER COUNTY TREASURER ELIZABETH GUTFAHR (REQ: COUNTY MANAGER)

2. PURSUANT TO A.R.S. § 38-431.03(A)(3) & (4), DISCUSSION, UPDATE AND CONSULTATION FOR LEGAL ADVICE AND/ OR DIRECTION REGARDING ALL LITIGATION MATTERS RELATED TO THE EMBEZZLEMENT BY THE FORMER COUNTY TREASURER ELIZABETH GUTFAHR, INCLUDING LITIGATION AGAINST THE AUDITOR GENERAL (REQ: COUNTY MANAGER)

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

ACTION ITEMS

1. DISCUSSION/POSSIBLE ACTION TO APPROVE PROPOSED SETTLEMENT AGREEMENT WITH RIO RICO MEDICAL AND FIRE DISTRICT, THE NOGALES SUBURBAN FIRE DISTRICT, AND ANY POTENTIAL FIRE DISTRICTS, AND TO RESOLVE LEGAL MATTERS RELATED TO THE GUTFAHR EMBEZZLEMENT LITIGATION (REQ: COUNTY MANAGER)

Supervisor Davis made a motion to table Action Item D1, seconded by Vice-Chairman Fanning; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

Chairman Molera asked if the item had a timeline.

Mr. May advised the Board that there are several moving parts and that all parties need to work on this sooner rather than later.

Vice-Chairman Fanning asked if both entities were in communication.

Mr. May stated that yes, they are negotiating and ensuring that everyone is well represented.

2. DISCUSSION/POSSIBLE ACTION TO AUTHORIZE AND APPROVE LEGAL ACTION RELATED TO ALL GUTFAHR EMBEZZLEMENT RELATED LITIGATION, INCLUDING SPECIAL ACTION AND APPEAL OF RECENT COURT DECISIONS IN THE LITIGATION AGAINST THE AUDITOR GENERAL (REQ: COUNTY MANAGER)

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

Mr. May stated that the Board is very committed to recovery and at this point the action item is to meet the plain and simple directive to take all action. There are two pending litigations in light of the decision of the written decision last week. This action item is affirming and further litigation or legal action in the matters related to the embezzlement.

Vice-Chairman Fanning read the following statement:

The Board of Supervisors acknowledges the court's recent summary ruling issued after more than a year of litigation, which was decided on a technicality. However, we remain fully committed to recovering public funds. Legal proceedings inherently involve both successes and setbacks, and we will continue to act prudently within that process. At the same time, we must ensure that our actions do not compromise this case or others involving school districts or fire districts. Accordingly, the Board is moving forward to approve the option to appeal and take any other legal action in the Gutfahhr and auditor general cases.

ADJOURNMENT

The meeting adjourned at 10:41 a.m. (motion: Vice-Chairman Fanning; second: Supervisor Davis; motion carried unanimously) (Ayes: Davis, Fanning, Molera)