

Board of Supervisors
December 9, 2005
1:00 p.m.

The Board met in a Special Meeting at the Santa Cruz County Complex, 2150 N. Congress Drive, Room #120, Nogales, AZ. Present: Robert Damon, Chairman; Manuel Ruiz, Vice-Chairman; John Maynard, Supervisor; Greg Lucero, County Manager; George Silva, County Attorney; Luis Parra, Deputy County Attorney; Melinda Meek, Clerk of the Board. Also present: Carlos Rivera, Jennifer St. John, Acencion Canchola, and Gabriel Romero.

CONSIDERATION OF REQUIREMENT OF THE SANTA CRUZ COUNTY SCHOOL SUPERINTENDENT TO PROVIDE A PERSONAL BOND IN THE REQUESTED AMOUNT OF \$200,000 TO ENSURE FAITHFUL PERFORMANCE OF DUTIES, PURSUANT TO A.R.S. §11-253(A): County Manager, Greg Lucero, informed the Board that the Santa Cruz County School Superintendent, Roberto Canchola, was recently indicted by a State Grand Jury; after the indictment was issued, he sent a memo to the County School Superintendent advising him of the County's concerns and desire to review financial records for all non-school district funds; Mr. Canchola scheduled a meeting with him last Monday to initiate the review process, but did not show up or attempt to cancel or reschedule; he then sent a second memo advising Mr. Canchola that the financial records for all non-school district funds still needed to be reviewed and that staff would be in his office on Thursday, December 8 to begin the process; he and staff went to Mr. Canchola's office on Thursday as stated, Mr. Canchola was present, but left the premises.

Mr. Lucero shared with the Board, a series of email exchanges between himself and Mr. Canchola where Mr. Canchola requests Mr. Lucero's legal authority to access the requested records; the County Attorney has advised that the Board of Supervisors needs to take action and direct the County School Superintendent to make the records available to staff. Mr. Lucero further stated that he and staff are concerned that Mr. Canchola has funds available to him that they believe should be secured through a personal bond.

Vice-Chairman Ruiz asked what the County's liability would be if the Board does not proceed with the action being requested at today's meeting and it is then determined that other money is missing; Mr. Lucero responded that it is incumbent on the County and the Board to begin the review process once the allegation of wrongdoing has been made, especially when dealing with public funds; Mr. Lucero stated that if the Board does not take action and something comes up later, the County would be liable and there would be no insurance coverage to protect the County.

Chairman Damon asked if the Santa Cruz County School Superintendent's funds are supervised by the County Finance Department; Administrative Services Department Director, Jennifer St. John, responded that those funds are solely under the control of the School Superintendent's Office.

Supervisor Maynard asked if the School Superintendent's funds are included in the County's Annual Performance Audit; Mr. St. John responded that those funds are exempt from auditing, as they are not considered to be County funds.

Chairman Damon asked who sets the bond amount; Mr. Lucero responded that the bond is set by the County Attorney's Office; Attorney Parra stated that the bond amount of \$200,000 was set after meeting with Miss St. John and Mr. Lucero and determining that Mr. Canchola is currently accountable for \$209,551.

Vice-Chairman Ruiz asked, if approved, how long Mr. Canchola has to comply with the Board's order and if he doesn't do so, what are the consequences; Mr. Parra responded that pursuant to A.R.S. §11-253, Mr. Canchola would be required to post the bond within 10 days of being required to and if he failed to do so it could potentially result in removal of office and the office would be declared vacant.

Vice-Chairman Ruiz made a motion to require the Santa Cruz County School Superintendent to provide a bond as per A.R.S. §11-253(A) for the faithful performance of his respective duties in the amount of \$200,000 and that per A.R.S. §11-251(1), the Santa Cruz County School Superintendent present his books and accounts for inspection by the County Manager and staff to obtain the following: grant award documents and descriptions per attached list and any others that may not be listed; download of Visions system data and software, internal controls policies and procedures, contracts (consultants, services, etc) and any related scope of work (including any resulting recommendations); IGAs; fund balances and transfers; cash management reports; transfers between funds and entities; indirect cost information; budgets; drawdowns and authorized representative; any checking accounts, authorized signatories and

statements and any other document or information as necessary to assist in securing the funds under the control of the Santa Cruz County School Superintendent's Office; second by Supervisor Maynard; motion carried unanimously.

Meeting adjourned at 1:20 p.m.

Melinda Meek _____
Clerk of the Board

Robert Damon _____
Chairman