SERVICES AGREEMENT
BETWEEN THE CITY OF NOGALES
AND
JAIME M. FONTES

THIS SERVICES AGREEMENT (this "Agreement") is made and entered into this 7th day of July, 2026, by and between the City of Nogales, an Arizona municipal corporation (the "City") and Jaime M. Fontes, an independent contractor (the "Contractor") for services as Interim Assistant City Manager. The City and Contractor may hereinafter be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. The Contractor is qualified and experienced in providing public administration services.

B. The Acting City Manager desires to retain the Contractor to provide public administration support services as a contracted Interim Assistant City Manager on an temporary basis during the tenure of the current Acting City Manager and the recruitment of a permanent City Manager.

AGREEMENT

NOW, THEREFORE, the Parties hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective the 8th day of July, 2026, and shall continue on a month-to-month basis unless terminated earlier in accordance with this Agreement, but in no event shall this Agreement extend beyond a six (6) month period.

The Agreement shall automatically renew for successive one-month periods for a term not to exceed six months unless either party provides written notice of non-renewal or termination as provided herein. The City may also immediately terminate the interim appointment upon appointment of a permanent City Manager, reassignment of duties, completion of the interim need, budgetary necessity, organizational restructuring, or any other reason deemed appropriate by the City.

2. Scope of Services. Contractor shall perform executive-level administrative, operational, and advisory services as assigned by the Acting City Manager. Duties may include, but are not limited to, the following:

a. Assisting the Acting City Manager with oversight, coordination, and direction of assigned City departments, divisions, programs, projects, and initiatives;

b. Providing leadership and guidance to department directors, managers, supervisors, and staff regarding City operations, policy implementation, organizational priorities, and administrative matters;

c. Assisting with preparation, review, and implementation of City Council agenda items, staff reports, presentations, ordinances, resolutions, contracts, memoranda, and related documents;

d. Supporting the Acting City Manager in carrying out Council direction, strategic priorities, budgetary objectives, operational improvements, and interdepartmental coordination;

e. Participating in executive leadership meetings, management team meetings, Council meetings, work sessions, public meetings, and other meetings as requested;

f. Assisting with personnel, human resources, employee relations, organizational compliance, workplace investigations, discipline, performance management, and related sensitive matters, as assigned and within the scope of delegated authority;

g. Reviewing, developing, and recommending policies, procedures, administrative practices, internal controls, and operational improvements;

h. Coordinating with legal counsel, department heads, Contractors, outside agencies, community partners, and other stakeholders as directed by the Acting City Manager;

i. Assisting with budget development, expenditure review, staffing analysis, procurement matters, grant administration, capital improvement planning, and other fiscal or administrative functions as assigned;

j. Representing the City Manager's Office in a professional manner and exercising discretion, confidentiality, sound judgment, and political neutrality in all matters;

k. Performing special projects, transition-related duties, emergency assignments, and other responsibilities reasonably related to the Interim Assistant City Manager role.

3. Compensation and Payment. The City agrees to pay the Contractor for services

rendered hereunder at a rate of $10,000.00 per month, which will be paid in accordance with the regular payroll cycle.

4. Reporting Requirements, Authority and Limitations. Contractor shall report directly to the Acting City Manager. Contractor shall perform services under the general direction of the Acting City Manager and shall comply with all lawful directives, City policies, administrative procedures, confidentiality requirements, ethics obligations, and standards of professional conduct. Contractor shall have only the authority expressly delegated by the Acting City Manager, personnel rules, or applicable City policy.

Unless expressly authorized in writing, Contractor shall not:

a. Bind the City to contracts, expenditures, settlements, employment actions, or policy commitments outside the scope of delegated authority;

b. Make final hiring, termination, disciplinary, procurement, budgetary, or legal decisions where such authority is reserved to another official or body;

c. Represent that Contractor has authority beyond that granted by the City; or

d. Take action inconsistent with the City Charter, City Code, personnel rules, procurement rules, adopted budget, Council direction, or applicable law.

5. Cancellation. The parties hereto reserve the right to cancel the whole or any part of this Agreement without cause at any time.

6. Performance and Availability. The Contractor agrees to devote adequate full-time and effort to the successful completion of the Services. The Contractor shall promptly notify the City of any circumstances that may affect the Contractor's ability to perform the Services and shall cooperate with the City to avoid or minimize any disruption.

7. Preservation and Inspection of Records. Contractor shall either provide to the City or securely maintain in his offices all records produced in connection with the services performed under this Agreement for a period of 5 years following the termination or expiration of this Agreement. Further, all such records shall be made available for inspection by the City and/or its auditors at any time during the retention period upon request by the City.

8. Indemnification. To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall defend, indemnify and hold harmless the City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses arising from or out of or resulting from any negligent, or intentional actions, acts, errors, mistakes or omissions

caused in whole or in part by Contractor relating to work or services in the performance of this Agreement.

9. Confidentiality. Contractor shall maintain the confidentiality of privileged, confidential, sensitive, personnel, legal, executive session, investigative, medical, public safety, and other protected information obtained during the course of the interim appointment. This obligation shall survive the expiration or termination of this Agreement.

10. Notices. Notices relating to this Agreement shall be deemed delivered either upon personal delivery or acknowledgement of receipt by the receiving party, or as of the second business day following mailing by United States mail, postage prepaid, addressed as follows, or as otherwise subsequently designated by either party in writing:

To the City:
City Attorney
Pierce Coleman PLLC
17851 N. 85th Street, Suite 175
Scottsdale, Arizona 85255

With a copy to:
City of Nogales
Attn: City Manager
777 N. Grand Ave.
Nogales, AZ 85621

To the Contractor:
Jaime Fontes
1927 W. Sunset Drive
Nogales, AZ 85621

11. Choice of Law. This Agreement shall be governed and interpreted the laws of the State of Arizona.

12. Whole Agreement. This Agreement constitutes the entire understanding of the parties and no representations or agreements, oral or written, made prior to its execution shall vary or modify its terms.

13. Amendments. Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only after approval of all parties signing the original Agreement.

14. Non-Assignment. Services covered by this Agreement shall not be assigned in

whole or in part without the prior written consent of the City.

15. Cancellation. This Agreement is subject to cancellation pursuant to A.R.S. § 38-511.

16. Independent Contractor Status. The services Contractor provides to City under this Agreement are those of an independent contractor, not an employee.

17. Immigration Law compliance Warranty. As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Consultant further warrants that after hiring an employee, Consultant verifies the employment eligibility of the employee through the E-Verify program. If Consultant uses any subconsultants in performance of the Services, subconsultants shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subconsultants shall further warrant that after hiring an employee, such subconsultant verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract.

18. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first above written.

CITY OF NOGALES

Kenneth Larriva, Acting City Manager

CONTRACTOR

Jaime M. Fontes

APPROVED AS TO FORM:

Joseph Estes, City Attorney