

**RESOLUTION NO. 2019-45**

**A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY AND THE CITY OF FLAGSTAFF TO PROVIDE \$150,000 IN VOLUNTARY CITY TO QUALIFIED DEVELOPMENTAL DISABILITY SERVICE PROVIDERS WITHIN THE CITY LIMITS OF FLAGSTAFF, AZ AND ESTABLISHING AN EFFECTIVE DATE.**

**RECITALS:**

WHEREAS, the City of Flagstaff voters passed the Minimum Wage Act or Proposition 414, a voter initiative, in the November 2016 election increasing the City of Flagstaff's minimum wage from \$8.05 per hour in 2016 to \$15.00 by 2021 through established increases on determined dates to begin on July 1, 2017; and

WHEREAS, Arizona voters passed the Fair Wages and Healthy Families Act or Proposition 206, a voter Initiative in the November 2016 election raising the state minimum wage from \$8.05 per hour to \$12.00 per hour by 2020 through established increases on determined dates to begin on July 1, 2017; and

WHEREAS, On March 21, 2017, the city council passed an amendment to the Minimum Wage Act (Ordinance 2017-08) with a supermajority vote of 6-1 authorized by Article 4, Section 1(6)(C) and 1(14) of the Arizona constitution to combat the compounding effects of the Fair Wages and Healthy Families Act (Proposition 206) and the Minimum Wage Act passing concurrently, which would of required Flagstaff's minimum wage to increase to \$12.00 per hour July 1, 2017, a drastic increase; and

WHEREAS, developmental disability service providers within the City of Flagstaff are experiencing increased labor costs due to the higher minimum wage rate established by the two propositions; and

WHEREAS, On January 29, 2019, SB1225 *Appropriation; Developmental Disabilities Services Providers*, was introduced by Senator Sylvia Allen (LD6) to provide emergency funding in the amount of \$508,600 from the state general fund and \$1,176,100 from developmental disabilities Medicaid authority to Developmental Disabilities Service Providers that experienced the highest mandated labor cost increases for services provided in a geographic service area located in northern Arizona; and

WHEREAS, On April 4, 2019, a proposed amendment to SB1225 was introduced by Representative Regina Cobb (LD5) and passed with a 9-2 due pass vote in the Appropriation Committee.

WHEREAS, the city council approved \$150,000 during the FY20 budget process as a one-time voluntary payment to assist qualified Developmental Disabilities Service Providers within the city limits of Flagstaff that have experienced increased labor costs due to the higher minimum wage rate in Flagstaff, AZ; and

WHEREAS, the Arizona Department of Economic Security is duly authorized to execute and administer contracts under A.R.S. §41-1954 and the City attest that it has the authority to enter into this IGA by virtue of the authorities set forth in Arizona Revised Statutes §11-951, §11-952; and the parties further attest that the scope and purpose of this agreement does not exceed the powers inherent to each party by virtue of their organizational statutory authorities. Arizona Revised Statutes §11-954.

**ENACTMENTS:**

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:**

SECTION 1. In General.

The Flagstaff City Council hereby authorizes the Mayor to execute the Intergovernmental Agreement between the Arizona Department of Economic Security and the City of Flagstaff, Arizona, attached hereto ("IGA"), which shall become effective upon the date first executed by both parties ("Effective Date").

SECTION 2. Effective Date.

This resolution shall be immediately effective upon adoption.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 1<sup>st</sup> day of October 2019.

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MAYOR

ATTEST:

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CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY