

**SUBMITTED BY:** Jennifer Smith, Community Services & Economic Development Director

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager

**FOCUS AREA:** Other / NA

**ORGANIZATIONAL  
IMPROVEMENTS:**

**SUBJECT:** **RESOLUTION 25-1690**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** an amendment to the **INTERGOVERNMENTAL AGREEMENT** between the City of Douglas and the **ARIZONA DEPARTMENT of CORRECTIONS, REHABILITATION, and REENTRY** on behalf of the Arizona State Prison Complex-Douglas to amend the inmate labor pay rate from fifty cents (\$0.50) to one dollar (\$1.00) per hour, and authorizing the city manager to execute the amended contract.

**EXECUTIVE SUMMARY:**

The City of Douglas maintains a longstanding Intergovernmental Agreement (IGA) with the Arizona Department of Corrections, Rehabilitation, and Reentry (ADCRR), for inmate labor provided by the Arizona State Prison Complex – Douglas (ASPC-Douglas). Pursuant to Special Terms and Conditions under the current approved IGA, staff is bringing forth this proposed amendment to increase the inmate labor pay rate from fifty cents (\$0.50) per hour to one dollar (\$1.00) per hour.

**BACKGROUND:**

During the July Special Council Meeting, the Mayor and Council approved the adoption of the FY 2026-2027 budget, which included a pay increase for inmate labor from fifty cents (\$0.50) per hour to one dollar (\$1.00) per hour. This item increases the proposed amount to \$1.50 per hour.

The City of Douglas utilizes inmate labor to enhance public services in a cost-effective manner while supporting ADCRR's rehabilitation goals. Inmate workers provide essential support across various city departments, including Parks, Public Works and the Douglas Police Department.

The proposed increase in compensation will help the city remain competitive with other jurisdictions in the region that offer higher pay rates for inmate labor under similar IGA's. This adjustment is expected to improve retention and recruitment of qualified inmate workers, ensuring continuity of service and operational support for city departments.

**DISCUSSION:**

Staff recommend approval.

**FISCAL IMPACT:**

In FY 2024-2025, the city paid approximately \$11,500 for inmate labor under the current rate of fifty cents (\$0.50) per hour. With the original proposed increase to one dollar (\$1.00) per hour, labor costs are projected to double, bringing the estimated annual expenditure to approximately \$23,000. This increase was accounted for and approved in the adopted FY 2025–2026 budget. The additional \$0.50 will increase the cost by an additional \$11,500, which is not budgeted, bringing the total cost to \$34,000. Staff will monitor savings to absorb costs through the year and adjust future budgets accordingly.

**Fiscal Year:** 2025/2026

**Amount Requested:**

**Budgeted:** Y / N

**Account (s):**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION 25-1690.”**