

Mayor and Council Communication

DATE: 03/31/26

M&C FILE NUMBER: M&C 26-0237

LOG NAME: 14EEOC 2026

SUBJECT

(ALL) Ratify the Execution of Contract with the United States Equal Employment Opportunity Commission to Process Employment Discrimination Cases for Fiscal Year 2026, Authorize Acceptance of Funds in an Amount Up to \$92,500.00, Plus Interest, Waive Indirect Costs, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the ratification of Contract No. 45310026C0014-FP260017, with the United States Equal Employment Opportunity Commission and authorize the acceptance of funds in an amount up to \$92,500.00;
 2. Waive the transfer of indirect cost revenue due the General Fund in the estimated amount of \$5,000.00; and
 3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Grants Operating Federal Fund in the amount up to \$97,500.00 (\$92,500.00 from the contract plus accrued interest from contractual award funds in an amount up to \$5,000.00 based on actual receipts), subject to the receipt of the grant, for the processing of Employment Discrimination cases for Fiscal Year 2026.
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DISCUSSION:

In January 1977, the United States Equal Employment Opportunity Commission (EEOC) recognized the Human Relations Commission (HRC) as a local deferral agency and a Fair Employment Practice Agency (FEPA) in accordance with Section 706(c) of the United States Equal Employment Opportunity Act of 1972, Title VII, of the Civil Rights Act of 1964, as amended. Pursuant to this section, the EEOC, prior to asserting jurisdiction over employment discrimination charges, defers such charges for resolution to a local or state agency having authority to enforce a local or state fair employment law similar to Title VII, the Age Discrimination in Employment Act and the Americans with Disabilities Act.

On March 3, 2026, the HRC received Contract No. 45310026C0014-FP260017 from the EEOC indicating that the EEOC would provide payment for 100 charges of discrimination and 50 deferrals for work performed during the enforcement period (contract timeframe) starting October 1, 2025, and ending September 30, 2026.

Payment for work performed and training is as follows:

- Resolution of 100 charges of alleged discrimination at a cost of \$850.00 per case for a total of \$85,000.00; and
- Deferral of 50 non-jurisdictional charges of discrimination at a cost of \$150.00 per case for a total of \$7,500.00

The addition of up to \$5,000.00 in accrued interest on contractual award funds (the final amount of which is based upon actual receipts) brings the total amount up to \$97,500.00.

A waiver of the collection of indirect cost revenue otherwise due to the General Fund is being requested. The Human Resources Department has determined that the remission of indirect cost reimbursement to the General Fund would result in fewer available programming dollars, which, when compounded by yearly fluctuations in funding, unanticipated delays in the receipt of funding, the threat of federal cuts in EEOC's programming, and increasing salary and benefit costs, could jeopardize the Human Resources Department's ability to successfully fulfill the provisions of the grant. The cost to the General Fund of the waiver is estimated at \$5,000.00.

The Grant is a pay for performance grant, where the amount awarded is for services previously rendered. Currently, one employee's salary is paid with the funds received as part of this contract, Human Relations Investigator Claudia Palacios, in the amount of \$104,862.17, including a base wage of \$75,503.63 plus benefits of \$29,358.54. If funding ends, such as EEOC decides to terminate the contract in the future, the affected employee will not yet have performed the services for the next contract year. There may be several options for consideration to retain high performing talent, including remaining in the function through General Funds, or the employee may have the opportunity to seek employment elsewhere, within or outside the City.

A grant application has been entered to the Grant Application Repository: The number is GRNT-APPL-0000000161.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: U.S. Equal Employment Opportunity Commission

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the recommendations and adoption of the attached appropriation ordinance, funds will be available in the current operating budget, as appropriated, in the Grants Operating Federal Fund. The Human Resources Department (and

Financial Management Services) will be responsible for the collection and deposit of funds due to the City. Prior to expenditures being incurred, the Human Resources Department has the responsibility to validate the availability of funds. This is a fee for service grant.

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