



Office of Retirement Services

Federated City Employees' Retirement System
Police and Fire Department Retirement Plan

On May 16, 2024 and June 20, 2024, the Board discussed in closed session the threat of litigation from Federated member Terri Williams. In 2006, member Williams was granted a service-connected disability retirement, but later that year was rehired by the City as a Crime Prevention Specialist subject to the City's Alternate Employment Program identified in Part 10A of the San Jose Municipal Code ("SJMC") §§ 3.28 *et seq.* During her time as a Crime Prevention Specialist, Williams she did not receive her retirement benefit, was reinstated to active duty and made member contributions. On or around June 25, 2010, the City laid off Williams from her AEP Crime Prevention Specialist position, at which point Williams asked the Plan to reinstate her 2006 service-connected disability retirement benefits, and the Plan did. Since then, member Williams disputed that SJMC § 3.28.1449.1 applied to her member contributions made during the time she was a Crime Prevention Specialist and sought the return of contributions, among other legal theories. On those grounds, Williams threatened to sue the Plan.

At the June 20, 2024 closed session, the Board authorized the CEO and legal counsel to negotiate a pre-litigation settlement related to Williams' claim for the return of contributions she made while she worked in the AEP program as a Crime Prevention Specialist from July 30, 2006 through June 25, 2010 and any new claims that have not yet been levied against the Board, Office of Retirement Services ("ORS") and the Plan. Trustee Linder moved to approve a settlement payment of \$62,000 inclusive of interest for release of the above asserted claim and all future claims as specified in the proposed settlement agreement. Vice-Chair Jennings seconded the motion. The Board unanimously approved the settlement by roll call vote.

Effective June 20, 2024, the Plan entered into a written Settlement Agreement, resolving the dispute between the Plan and member Terri Williams. The Settlement Agreement provided that the Plan would pay Williams a total of \$62,000, inclusive of interest, in exchange of a waiver of the above asserted claim and all future claims against the Plan, Board, and ORS, as specified in the Settlement Agreement.