

SETTLEMENT AGREEMENT

This agreement is entered into by and between the City of Milwaukee, in its own right and on behalf of its various departments, commissions, agencies, employees, including the Milwaukee Police Department, the Fire and Police Commission, and all agents thereof (hereinafter "City"), and Ronald Ferrill.

WHEREAS, Ronald Ferrill has filed a complaint alleging race discrimination in violation of Title VII of the Civil Rights Act of 1964, in the United States District Court for the Eastern District of Wisconsin, Case No. 03-C-0539 against the City of Milwaukee, and

WHEREAS, the parties wish to effect a final settlement of all complaints, claims, charges, demands and liabilities, of any kind or nature whether filed or unfiled, arising from Mr. Ferrill's employment and/or separation from employment with the Milwaukee Police Department, including, without limitation, all claims arising out of the facts and circumstances which gave rise to the foregoing lawsuit, and

WHEREAS, the parties further wish to avoid the expense, burden and uncertainties of further litigation in this matter,

NOW, THEREFORE,

It is hereby stipulated and agreed as follows:

1. This agreement is in resolution of disputed claims and causes of action, and does not constitute an admission of liability by the City for any claim or cause of action, whether filed or unfiled.
2. This agreement is subject to approval by the Common Council of the City of Milwaukee. It shall be deemed null and void, and have no force or effect, nor shall it be admissible for any purpose, in the event it is not so approved.

3. The City will pay a total of One Hundred Eighty Eight Thousand Five Hundred and no/100th dollars (\$188,500.00) for all damages of any nature whatsoever that have been or may be brought, to be allocated as follows:

(a) The sum of \$62,162.00 shall be paid to Attorney Thomas Nelson, Shneidman, Hawks & Ehlke, S.C. upon approval of this agreement by the Common Council, for attorney fees and costs, and shall be reported for tax purposes on a 1099 form;

(b) The sum of \$30,506.25 shall be paid upon approval of this agreement by the Common Council, to Ronald Ferrill for back pay, and shall be subject to all appropriate federal and state tax withholding and reported by the City on Ronald Ferrill's W2 form; and,

(c) The sum of \$95,831.75 shall be paid at such time as it is determined whether Ronald Ferrill has successfully resumed police duties, or has been unable to do so, as provided in paragraphs 4 and 5 below, it being expressly understood that if he has resumed police duties, said sum shall be used to restore pension credit in the protected services pension, subject to the approval of the Milwaukee Employee Retirement System, and if he has not resumed police duties, then said sum shall be paid to him as back pay, subject to appropriate federal and state tax withholding. This payment will be reported as a miscellaneous payment on a 1099 form in the event it is used to restore pension credit, and shall be reported on a W2 form if paid as back pay.

4. The City will offer Ronald Ferrill an appointment in the next available recruit class for police officers, provided he is recommended for employment following the background investigation, medical examination and drug screen, all of which shall be conducted in the same manner as other applicants for Milwaukee Police Officer. Upon entry into the police academy, Ronald Ferrill will be entitled to a seniority date of February 15, 1982 for pay purposes only.

5. Upon graduating the Police Academy, and resuming the sworn duties as a police officer, Ronald Ferrill will be reinstated as a police officer for the Milwaukee Police Department and shall be entitled to a seniority date of February 15, 1982 for pay purposes, and for purposes of future accrual of vacation pay. If agreed to by the Milwaukee Police Association, Ronald Ferrill shall be credited with eight years, nine months of retroactive seniority for purposes of competitive seniority on the department, in consideration of his prior service as a police officer from February 15, 1982 to November 2, 1990. No retroactive seniority will apply for purposes of eligibility for either promotion or time-in-grade requirements for purposes of completing any probationary period or eligibility for promotion. Mr. Ferrill will not be entitled to any retroactive accruals of vacation or other benefits that might be related to any retroactive seniority, except that his February 15, 1982 seniority date will apply for purposes of future vacation pay accrual and rate of pay. Additionally, retroactive seniority shall not be used for purposes of meeting any qualifying period pertaining to duty disability or duty death benefits.
6. In the event Ronald Ferrill does not complete recruit training at the police academy, and wishes to be reinstated to his former position with the Department of Public Works, he will be entitled to seek reinstatement as a general city service employee under the provisions of Rule X, Section 8, of the Rules of the Board of City Service Commissioners.
7. Ronald Ferrill expressly understands and agrees that no other benefits or payroll items, including past pension credits or insurance benefits, will be paid by the City for or in consideration of his reinstatement to the Police Department, other than the payments specifically agreed upon in paragraph 3 of this agreement.
8. For and in consideration of the City's payment of the sums specified herein, and reinstating Mr. Ferrill to the Police Department, Mr. Ferrill hereby releases, waives and

holds the City harmless for any and all claims for payment of any salary, pay, wages, or payroll related benefits which are not specifically provided for herein. Mr. Ferrill hereby releases and waives any and all potential penalties or claims of any nature whatsoever which would or could apply to his not having received salary, wages or wage-related payments on a biweekly basis for any time since November 2, 1990. Mr. Ferrill further agrees that in the event he is paid any sums or benefits over and beyond those specified in this agreement for the period of time from November 2, 1990 to the date of reinstatement, he will promptly notify and reimburse the City of Milwaukee therefore.

9. Ronald Ferrill expressly acknowledges that the City has made no representation to him, and has not advised him regarding the tax consequences, if any, that may apply to the payments called for herein, other than to report the payments as specified herein, and provide for federal and state tax withholding relative to the sums Mr. Ferrill has designated as back pay. Tax consequences, or liability, to Mr. Ferrill for or on account of these payments, shall be Mr. Ferrill's sole responsibility.
10. Based upon the settlement, Mr. Ferrill and his attorney will execute any and all documents that may be necessary to dismiss the litigation, Ferrill v. City of Milwaukee, Case No. 03-C-0539 with prejudice, and without costs or attorney fees.
11. Mr. Ferrill specifically waives any and all claims for back pay, front pay, fees, costs, and compensatory damages, as well as any other type or form of damages he might have claimed had this matter proceeded in litigation.
12. Mr. Ferrill and his attorney agree to execute the attached release, which is incorporated as **Exhibit 1**, meeting the approval of the City Attorney as to form and execution.
13. The parties to this release and settlement agreement understand that it represents a complete release of any and all claims, that it is intended further to be mutual, and that none of the parties to this release may make further claims against the others.

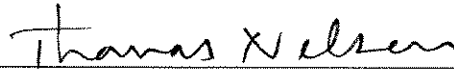
14. Before signing this agreement, Ronald Ferrill states that he has read the agreement, has had a full and complete opportunity to consider its terms, and that he understands the agreement, and knows that he is giving up all of his claims or potential claims, including for additional attorney's fees and costs, other than those designated above, against the releasees. He is aware of his right to consult with an attorney and, in fact, has consulted with an attorney before signing this agreement. Mr. Ferrill has signed this agreement knowingly and voluntarily.

Dated at Milwaukee, Wisconsin, this 30 day of JUNE, 2004.



RONALD FERRILL

Subscribed and sworn to before me
this 30 day of JUNE, 2004.
Malissa D. Oley
Notary Public, State of Wisconsin
My Commission 2/6/05



THOMAS NELSON

State Bar No. 1001189

Attorney for Ronald Ferrill

GRANT F. LANGLEY

City Attorney

MIRIAM R. HORWITZ

Assistant City Attorney

State Bar No. 01016150

Attorneys for the City of Milwaukee