

**SETTLEMENT AND MUTUAL RELEASE AGREEMENT
BETWEEN THE MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
AND THE TOWN OF KILLIAN**

This Settlement and Mutual Release Agreement ("Agreement") is entered into by the Municipal Police Employees' Retirement System ("MPERS") and the Town of Killian ("Employer"). This Agreement is subject to approval by the MPERS Board of Trustees and, if approved, shall become binding and irrevocable on the date accepted by MPERS in writing.

WHEREAS, beginning on July 1, 1973, membership in MPERS became mandatory for all employees as defined in R.S. 11:2213(11) as a condition of employment;

WHEREAS, after January 1, 1976, Employer entered into an agreement under 42 U.S.C. 418(b)(5) to have its employees covered under the federal Social Security program; however, Employer's employees as defined in R.S. 11:2213(11) were specifically excluded from the Social Security agreement because Louisiana law made their participation in MPERS a mandatory condition of employment;

WHEREAS, since the date membership in MPERS became mandatory, Employer hired employees who were required by law to be enrolled in MPERS as a condition of employment who were not enrolled and are no longer employed by Employer ("Former MPERS-Eligible Employees");

WHEREAS, Employer failed to timely enroll Former MPERS-Eligible Employees, and to remit contributions to MPERS in accordance with law;

WHEREAS, in January of 2020, MPERS filed a Petition to Collect Contributions and Actuarial Costs in the 19th Judicial District Court for the Parish of East Baton Rouge, Suit No. 692605 ("Lawsuit"), seeking to require Employer to enroll all MPERS-Eligible Employees, then-current and former, and to remit delinquent contributions, interest, and actuarial costs;

WHEREAS, during the pendency of the Lawsuit, on or about August 15, 2025, Killian laid off all MPERS-Eligible employees and entered a one-year contract with the Livingston Parish Sheriff's Office to provide public safety services in Killian;

WHEREAS, Employer and MPERS agree their best interests would be served by avoiding the uncertainties and costs of further litigation and resolving this matter without further delay on the terms set forth herein; and

WHEREAS, Employer and MPERS agree to compromise and settle all claims asserted by MPERS in the Lawsuit arising out of Employer's failure to timely enroll and remit contributions required by law for the Former MPERS-Eligible Employees.

NOW THEREFORE, for and in consideration of the terms and advantages of this Agreement, which Employer and MPERS agree constitute sufficient consideration for the obligations set forth herein, Employer and MPERS agree as follows:

MPERS shall:

1. Release Employer from all claims, demands, and causes of action asserted by MPERS in the Lawsuit arising out of failure to timely enroll and remit contributions for Former MPERS-Eligible Employees, except as expressly set forth in this Agreement. This release does not extend to, and does not affect, any claim asserted by or on behalf of a Former MPERS-Eligible Employee, any participating employer, or any third party; and
2. File a motion to dismiss the Lawsuit following receipt of: (a) \$50,000 in delinquent contributions; (b) verification of payment of court costs by Employer, and (c) written verification that Former MPERS-Eligible Employees were notified, as required by this Agreement;

Employer shall:

1. Provide MPERS with written verification that all Former MPERS-Eligible Employees who were employed on or after July 1, 2024 were made aware of the contents of this Agreement;
2. On or before February 28, 2026, Employer shall pay MPERS \$50,000 in a lump sum. This payment constitutes full and final satisfaction and compromise of the claims asserted by MPERS against Employer in the Lawsuit and arising out of the failure to timely enroll and remit contributions required by law, interest, and actuarial costs owed for Former MPERS-Eligible Employees, and only to the extent provided in this Agreement. The payment compromises only MPERS's claims and shall not be applied, credited, offset, or asserted as satisfaction of any liability or obligation arising from claims asserted by or on behalf of any Former MPERS-Eligible Employee or from any other obligation imposed on Employer under this Agreement. The parties acknowledge that Employer's failure to timely enroll MPERS-eligible employees and report required payroll data prevents the actuarial calculation of any amount that might otherwise be due under R.S. 11:2225.4, and that the payment required by this Paragraph represents a negotiated compromise of MPERS's claims in light of that inability, without admitting whether R.S. 11:2225.4 applies to Employer;
3. On or before February 10, 2026 and each month thereafter certify through MPERS' Portal that no MPERS-Eligible Employees were hired during the preceding month or, if hired, that each was timely enrolled. If Killian fails to comply with this paragraph for three months in any twelve-month period, Killian shall at its own expense, engage an auditor to perform agreed-upon audit procedures each fiscal year to verify compliance with this Agreement and all laws regarding mandatory participation in MPERS for

- every police department employee. The Employer's auditor shall work with MPERS to develop these procedures. The first written agreement between the auditor and Employer must be provided to MPERS no later than March 1st following notice from MPERS of Employer's failure to comply. The report and results of the procedures shall be provided to MPERS, the legislative auditor, and the state treasurer no later than three business days from receipt by Employer;
4. Enroll all future MPERS-Eligible Employees immediately upon hiring;
 5. Remit all required contributions required by law to MPERS in a timely manner for all MPERS-Eligible Employees employed or hired after execution of this Agreement by Employer;
 6. Release, defend, indemnify, and hold harmless MPERS, its trustees, officers, employees, agents, attorneys, and actuaries from all claims, demands, and causes of action arising out of or relating to the employment and failure to timely enroll and/or pay contributions to MPERS on behalf of Former MPERS-Eligible Employees under any law including for any costs, attorney's fees, interest, expenses, or for any other losses, potential losses, or damages of every kind and character whatsoever. This obligation includes, without limitation, any amounts Employer is required to pay as a result of claims asserted by or on behalf of Former MPERS-Eligible Employees, any participating employer, or any third party and applies regardless of any payments made by Employer to MPERS under this Agreement;
 7. Employer expressly acknowledges and agrees that if MPERS incurs, pays, or becomes legally obligated to pay any amount (including any judgment, settlement, compromise payment, penalty, interest, cost, or attorney's fee) arising from any claim, demand, or action asserted by or on behalf of any Former MPERS-Eligible Employee, Employer shall reimburse MPERS for that amount upon demand and shall defend and indemnify MPERS as provided in Paragraph 6. Any such amount is in addition to, and shall not be satisfied, reduced, credited, or offset by, the \$50,000 payment required under this Agreement. Employer shall reimburse MPERS within 30 days after written demand, together with supporting documentation reasonably sufficient to identify the basis and amount of the payment;
 8. If after August 15, 2025, Employer fails to timely pay contributions for enrolled employees, fails to make any payment required under this Agreement or R.S. 11:2225.4, or otherwise fails to comply with any provision of this Agreement, Employer shall report such delinquency or noncompliance in writing to MPERS, Employer's auditor, the legislative auditor, and the state treasurer no later than three business days from the date the Employer knew or reasonably should have known of such delinquency or noncompliance. In the event of such breach, the Parties expressly agree that MPERS shall notify the Employer and may certify the delinquency to the state treasurer pursuant to R.S. 11:2227(D)(2)(a), and that the treasurer may deduct the certified amount from any funds payable to Employer and remit such amount directly to MPERS. Failure to timely and properly enroll any Employee who first becomes

eligible for MPERS on or after the effective date of this Agreement or failure to timely pay contributions or make payments required under this Agreement or R.S. 11:2225.4 shall be a breach of this Agreement and shall entitle MPERS to collect all amounts that would have been due but for this Agreement and shall authorize MPERS to seek the total of the unpaid contributions, with interest and 25% penalties plus costs and attorney fees including all payments waived pursuant to this Agreement. The remedies set forth in this paragraph are cumulative and non-exclusive and shall apply in addition to any amounts Employer may be required to pay as a result of claims asserted by or on behalf of Former MPERS-Eligible Employees. Nothing in this Agreement shall be construed to waive, limit, or impair MPERS' authority, upon Employer's breach of this Agreement, to pursue any claim or remedy available under applicable law, including but not limited to claims for delinquent contributions, interest, penalties, actuarial costs, collection costs, attorney's fees, and any remedy available under R.S. 11:2225.4. In the event of Employer's breach, MPERS may elect either to enforce the Agreement or to rescind the compromise reflected herein and pursue all claims and remedies as if this Agreement had not been executed, and in such event, no credit shall be given for the \$50,000 payment, which MPERS shall retain. Regardless of which remedy MPERS elects, the indemnification and hold harmless provisions in Paragraphs 6 and 7 shall survive and remain enforceable;

9. In the event Employer breaches this Agreement or MPERS is required to take any action to enforce or interpret this Agreement, Employer shall be liable for, and shall promptly reimburse MPERS for, all reasonable attorney's fees, court costs, expert fees, and expenses incurred by MPERS in connection with such enforcement or interpretation, whether incurred in litigation, administrative proceedings, collection efforts, or otherwise, and regardless of whether MPERS ultimately prevails on all claims asserted; and

10. On or before February 28, 2026, pay MPERS and Killian's court costs to the East Baton Rouge Parish Clerk of Court (approximately \$822.51).

MPERS and Employer acknowledge:

1. This Agreement contains the entire understanding and agreement between the parties regarding the matters set forth herein;
2. All risk of loss, including any liability, judgment, settlement, payment, penalty, interest, cost, or attorney's fee, arising out of or relating to Employer's failure to timely enroll any MPERS-Eligible Employee or to timely remit contributions required by law—whether asserted by or on behalf of any Former MPERS-Eligible Employee, any participating employer, or any third party—is retained by Employer and is not affected by the compromise of MPERS's claims set forth in this Agreement; and

3. All parties had the opportunity to consult with counsel of their selection.

Town of Killian:

Caleb Atwell, Mayor

Date

Accepted by:

Municipal Police Employees' Retirement System:

Benjamin A. Huxen II, Executive Director &
General Counsel

Date