

**TOWN OF COTTAGE CITY
RESOLUTION NO. 2026-23**

A RESOLUTION OF THE COMMISSIONERS OF THE TOWN OF COTTAGE CITY AUTHORIZING THE TOWN MANAGER TO INITIATE THE PRELIMINARY APPLICATION AND EVALUATION PROCESS FOR PARTICIPATION IN THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM EMPLOYEES' PENSION SYSTEM (EPS) AND THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM (LEOPS)

WHEREAS, the Commissioners of the Town of Cottage City recognize the importance of providing competitive retirement benefits to attract, recruit, and retain qualified employees and law enforcement officers; and

WHEREAS, under the Town of Cottage City Employee Handbook/Policy and Procedure Manual (2026), adopted by Resolution 2026-17 on June 10, 2026, the Town currently offers a 457 Deferred Compensation Plan to eligible employees, with an employer match of up to \$3,500 per year as provided in the annual budget ordinance, the specific provisions of which are approved by Commission resolution and distributed to eligible employees, but the Town does not presently participate in the Maryland State Retirement and Pension System's Employees' Pension System (EPS) or Law Enforcement Officers' Pension System (LEOPS); and

WHEREAS, the Maryland State Retirement and Pension System ("MSRPS") administers the Employees' Pension System ("EPS") and the Law Enforcement Officers' Pension System ("LEOPS"), each of which may be available to eligible participating governmental employers pursuant to the Annotated Code of Maryland and the policies and procedures of the Maryland State Retirement Agency; and

WHEREAS, the Maryland State Retirement Agency has published "A Guide for Governmental Units Considering Participation" available at <https://sra.maryland.gov/employers/enrollment-and-withdrawal-for-local-governments/> which provides detailed information on eligibility requirements, the multi-step application process and mandatory timelines, the estimated costs of the required actuarial valuations (approximately \$5,600–\$8,000 for the preliminary valuation and a similar amount for the final valuation), the nature of employer contribution obligations, summaries of benefits under EPS and LEOPS, the Employer Pick-up Program, and the fact that participation becomes effective only after later formal governing-body action following receipt and review of the actuarial valuations; and

WHEREAS, the Commissioners desire to obtain preliminary actuarial valuations, financial analyses, eligibility determinations, and other information necessary to evaluate the feasibility, costs, and long-term fiscal impacts of participation in the Employees' Pension System and/or the Law Enforcement Officers' Pension System before making any determination regarding participation; and

WHEREAS, the Maryland State Retirement Agency requires the submission of the Participating Governmental Unit Entry Application, a written request for preliminary valuation, job descriptions

(for LEOPS), local plan documents and related supporting documentation by September 1, followed by employee census data by October 15, in order to prepare the necessary actuarial evaluations and cost assessments; and

WHEREAS, the Commissioners find that this matter is time-sensitive because the Participating Governmental Unit Entry Application, written request for preliminary valuation, and required supporting documentation must be submitted to the Maryland State Retirement Agency no later than September 1, 2026, in order to be considered during the current application cycle for a July 1, 2027 effective date; and

WHEREAS, failure to initiate the preliminary application process before the September 1, 2026 deadline would require the Town to wait until the next application cycle approximately one year later to again pursue participation in the Employees' Pension System and/or the Law Enforcement Officers' Pension System, thereby unnecessarily delaying the Commissioners' ability to evaluate the feasibility of participation; and

WHEREAS, Commissioners further find that the next step is that if determined to be eligible the Town will be required to submit employee (i.e., census) data, as indicated below, needed for the preliminary evaluation by October 15, 2026, and that authorizing the Town Manager to proceed with the preliminary application process immediately preserves the Town's opportunity to receive the necessary actuarial valuations and financial analyses while expressly reserving to the Commissioners the sole authority to determine whether participation in either retirement system is in the best interests of the Town.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Town of Cottage City, Maryland, that:

Section 1. Authorization. The Town Manager is hereby authorized and directed to undertake all actions reasonably necessary to initiate and complete the preliminary evaluation process for potential participation in the Maryland State Retirement and Pension System, including, but not limited to:

1. Preparing, executing, and submitting the Participating Governmental Unit Entry Application (available at https://sra.maryland.gov/wp-content/uploads/2026/01/pgu_entry_application_5_0.pdf) and written request for preliminary valuation for the Employees' Pension System (EPS) and/or the Law Enforcement Officers' Pension System (LEOPS), and signing the same as the official authorized to act on behalf of the governing body;
2. Requesting preliminary actuarial valuations, actuarial studies, cost estimates, and other financial analyses from the Maryland State Retirement Agency;
3. Conducting employee and position census activities, including compiling payroll records, employment histories, position descriptions, compensation data, budgeted hours, and other information necessary to determine eligibility and prepare actuarial valuations (including

submission of the demographic data file by October 15 if the Agency determines the Town is eligible);

4. Coordinating and communicating with representatives of the Maryland State Retirement Agency, its actuaries, consultants, and other authorized personnel as necessary to facilitate the evaluation process;
5. Executing administrative documents, certifications, and other supporting materials reasonably necessary to obtain preliminary valuations, eligibility determinations, actuarial assessments, and related analyses;
6. Taking any additional administrative actions necessary to effectuate the purpose and intent of this Resolution, including incurring and paying the costs of the preliminary actuarial valuation (estimated \$5,600–\$8,000) and any final valuation as invoiced by the Agency; and
7. Directing the Town Treasurer to certify that sufficient funds are available in the Fiscal Year 2027 budget for the costs of the preliminary actuarial valuation and related expenses or, if necessary, to prepare and present for Commission approval an amendment to the Fiscal Year 2027 budget appropriating such funds.

Section 2. No Commitment to Participate. This Resolution authorizes only the preliminary evaluation of participation in the Maryland State Retirement and Pension System. Nothing contained herein shall be construed as: a. Electing to participate in the Employees’ Pension System or the Law Enforcement Officers’ Pension System; b. Creating any contractual obligation on behalf of the Town; c. Committing the Town to participate in or fund either retirement system; or d. Authorizing any final action other than obtaining the information necessary for the Commissioners to evaluate participation.

Section 3. Purpose. The purpose of this Resolution is to authorize the Town Manager to obtain the actuarial valuations, financial analyses, employee census information, eligibility determinations, and all other information necessary for the Commissioners to assess the financial feasibility, administrative requirements, and long-term implications of participation in the Employees’ Pension System and/or the Law Enforcement Officers’ Pension System. The Commissioners expressly find that obtaining this information prior to the September 1, 2026 application deadline is in the best interests of the Town and preserves the Town’s ability to make an informed decision without delaying consideration for an additional application cycle.

Section 4. Future Action Required. Participation in the Employees’ Pension System and/or the Law Enforcement Officers’ Pension System shall require separate approval by the Commissioners of the Town of Cottage City following review of the actuarial valuations, financial analyses, recommendations received from the Maryland State Retirement Agency, and any additional information deemed appropriate by the Commissioners, including any required 60% employee petition and formal resolution(s) as applicable under the Agency’s process. Nothing in this

Resolution shall be construed as authorization to enroll the Town in either retirement system absent subsequent action by the Commissioners.

Section 5. Effective Date. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Cottage City Commission at a duly noticed public meeting held on the 30th day of July, 2026.

ATTEST:

TOWN OF COTTAGE CITY, MARYLAND

John Hoatson, Town Manager

By: _____
Wanda Wheatley, Ward 3, Commissioner Chair

Julia Salsich, Ward 1, Commissioner Secretary

Joshua Durant, Ward 2, Commissioner

Tom Campos, Ward 4, Commissioner Vice Chair

John Brooks, At-Large, Commissioner

CERTIFICATION

I, hereby certify, as the duly appointed Town Manager of the Town of Cottage City, Maryland, that on the 30th day of July, 2026, Resolution No. 2026-23, entitled: Authorizing the Town Manager to initiate the preliminary application and evaluation process for participation in the Maryland State Retirement and Pension System Employees' Pension System (EPS) and the Law Enforcement Officers' Pension System (LEOPS), was duly adopted by the Cottage City Commission of the Town of Cottage City, Maryland, by a vote of ____ Aye, ____ Nay, and ____ Absent.

By: _____
John Hoatson, Town Manager