



## CITY OF LAUREL, MARYLAND

### ORDINANCE NO. 2046

#### **AN ORDINANCE OF THE MAYOR AND CITY COUNCIL OF LAUREL, MARYLAND TO MODIFY THE OPERATION OF THE CITY OF LAUREL EMPLOYEES RETIREMENT PLAN TO DOCUMENT A COST OF LIVING ADJUSTMENT FOR RETIREES OF JANUARY 1, 1994 TO DECEMBER 31, 2014**

*Sponsored by the President at the request of the Administration.*

**WHEREAS**, the Mayor and City Council of Laurel, Maryland (collectively, the “Employer”) sponsor The City of Laurel Employees Retirement Plan (the “Plan”); and

**WHEREAS**, Section 5.7 of the Plan provides that the Employer may authorize a cost-of-living increase which can be added onto the monthly payment to a Retired Participant (or Beneficiary) or can be paid as a thirteenth (13<sup>th</sup>) check; and

**WHEREAS**, page 12 of the FY2026 budget document included an Expenditure Highlight of the Pension Contribution referencing five annual payments to fund a Discretionary COLA for retirees from 1994 to 2014, and page 272 of the FY2026 budget document included an itemization of the first COLA funding contribution of \$150,000, and

**WHEREAS**, at the May 28, 2025 Mayor and City Council meeting, the Mayor proposed and the City Council approved a discretionary cost-of-living adjustment (COLA) for certain retirees through the adoption of Ordinance No. 2041; and

**WHEREAS**, the funding for the FY2026 contribution of the approved COLA is included in Ordinance No. 2041; and

**WHEREAS**, on May 7, 2025 the City Councilmembers were provided with written information that explained that the COLA would be paid over the lifetime of the affected retirees and their beneficiaries and would be funded by the City over a five-year period; and

**WHEREAS**, in the May 7, 2025 emails, the Administration included and distributed documentation of the expected five-year funding requirement for the COLA, as detailed below:

	RETIREE COLA 5-YEAR AMORTIZATION
FY2026	\$150,000
FY2027	\$156,000
FY2028	\$161,000
FY2029	\$167,000
FY2030	\$173,000
TOTAL FUNDING	\$807,000

**WHEREAS**, the funding for the remaining amortized cost of the approved COLA for FY2027, FY2028, FY2029 and FY2030 will be included in the approved budget ordinances for those fiscal years, in accordance with the approval of the COLA by the Council at the May 28, 2025 meeting; and

**WHEREAS**, the approved COLA will operate so that a percentage increase will be implemented to the retirees who commenced their benefits during the twenty-year period starting January 1, 1994 and ending December 31, 2014; and

**WHEREAS**, the percentage increase in the approved COLA will be implemented based on the calendar year the Plan began making payments to the Retired Participants (either directly to such Retired Participant or into the DROP on behalf of the Retired Participant), as detailed below; and

Variable Retiree COLA	
Date of Retirement	Increase in Monthly Benefit
1.1.1994-12.31.2004	7.30%
1.1.2005-12.31.2014	3.65%
1.1.2015-to date	0%

**WHEREAS**, Internal Revenue Code Section 401(a) requires that a retirement plan operate with a formal plan document that provides “definitely determinable benefits”; and

**WHEREAS**, in order to satisfy the tax law requirement, the terms of the COLA need to be formally memorialized in an ordinance.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED**, by the Mayor and City Council of Laurel, Maryland that the operation of The City of Laurel Employees Retirement Plan (the "Plan") is modified to add a variable cost-of-living adjustment to be added onto the monthly payment to a Retired Participant or Beneficiary with such percentage based on the following Chart, with such increase effective as of January 1, 2026 and continuing for the lifetime of the payee (retiree and/or beneficiary, as applicable):

Variable Retiree COLA		
Date of Retirement	Increase	Affected retirees
1.1.1994-12.31.2004	7.30%	13
1.1.2005-12.31.2014	3.65%	25

**AND, BE IT FURTHER ENACTED AND ORDAINED**, that this Ordinance shall become effective on the date of its passage.

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2025

**ATTEST:**

\_\_\_\_\_  
**SARA A. GREEN, CPM, MMC**  
City Clerk

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**KYLA M. CLARK**  
President of the City Council

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
**KEITH R. SYDNOR**  
Mayor