

**DALLAS POLICE AND FIRE PENSION SYSTEM
OPERATING BUDGET SUMMARY
FOR THE YEAR 2025**

Expense Type	2024 Budget	2024 Projected Actual	2025 Budget	Variances		Variances	
				2025	2024	2025	2024
				Budget vs	Budget	Budget vs	Proj. Act.
				\$	%	\$	%
Administrative Expenses	6,246,096	5,499,300	6,545,394	299,298	4.8%	1,046,094	19.0%
Professional Expenses	1,600,950	1,648,947	1,937,665	336,715	21.0%	288,718	17.5%
Admin & Prof Exp Total	7,847,046	7,148,247	8,483,059	636,013	8.1%	1,334,812	18.7%
Investment Expenses	9,647,817	9,695,144	10,820,487	1,172,670	12.2%	1,125,343	11.6%
Total	\$ 17,494,863	\$ 16,843,391	\$ 19,303,546	\$ 1,808,683	10.3%	\$ 2,460,155	14.6%
Prior Year's Admin and Professional Actual Expenses with Cumulative CPI increases applied							
2016 actual expenses with CPI increases applied			\$ 12,551,447				
2017 actual expenses with CPI increases applied			\$ 10,548,439				

Dallas Police & Fire Pension System Operating Budget Calendar Year 2025							
Description	2024 Budget	2024 Projected Actual*	2025 Proposed Budget	\$ Change 2025 Prop. Bud. vs. 2024 Bud.	% Change 2025 Prop. Bud. vs. 2024 Bud.	\$ Change 2025 Prop. Bud. vs. 2024 Proj. Actual	% Change 2025 Prop. Bud. vs. 2024 Proj. Actual
Administrative Expenses							
1 Salaries and benefits	3,674,704	3,764,407	3,968,325	293,621	8.0%	203,918	5.4%
2 Employment Expense	26,350	18,354	26,600	250	0.9%	8,246	44.9%
3 Memberships and dues	20,276	21,276	22,838	2,562	12.6%	1,562	7.3%
4 Staff meetings	500	790	800	300	60.0%	10	1.3%
5 Employee service recognition	4,000	3,671	4,000	-	0.0%	329	9.0%
6 Member educational programs	3,350	3,850	4,000	650	19.4%	150	3.9%
7 Board meetings	2,700	2,331	2,600	(100)	(3.7%)	269	11.5%
8 Conference registration/materials - Board	12,000	1,800	12,000	-	0.0%	10,200	566.7%
9 Travel - Board	22,000	3,500	22,000	-	0.0%	18,500	528.6%
10 Conference/training registration/materials - Staff	31,000	9,583	29,215	(1,785)	(5.8%)	19,632	204.9%
11 Travel - Staff	43,300	24,868	53,350	10,050	23.2%	28,482	114.5%
12 Liability insurance	558,990	518,651	581,865	22,875	4.1%	63,214	12.2%
13 Communications (phone/internet)	30,528	25,992	28,663	(1,865)	(6.1%)	2,671	10.3%
14 Information technology projects	715,000	30,910	560,000	(155,000)	(21.7%)	529,090	1711.7%
15 IT subscriptions/services/licenses	194,615	152,549	177,475	(17,140)	(8.8%)	24,926	16.3%
16 IT software/hardware	25,000	21,772	25,000	-	0.0%	3,228	14.8%
17 Building expenses	464,120	508,038	529,943	65,823	14.2%	21,905	4.3%
18 Repairs and maintenance	108,709	61,049	92,661	(16,048)	(14.8%)	31,612	51.8%
19 Office supplies	29,025	22,574	28,350	(675)	(2.3%)	5,776	25.6%
20 Leased equipment	25,000	19,482	22,000	(3,000)	(12.0%)	2,518	12.9%
21 Postage	20,700	20,363	27,200	6,500	31.4%	6,837	33.6%
22 Printing	5,100	4,579	6,850	1,750	34.3%	2,271	49.6%
23 Subscriptions	2,881	1,080	940	(1,941)	(67.4%)	(140)	(13.0%)
24 Records storage	3,000	3,092	3,735	735	24.5%	643	20.8%
25 Administrative contingency reserve	12,000	271	12,000	-	0.0%	11,729	4328.0%
27 Depreciation Expense	201,248	237,468	289,984	88,736	44.1%	52,516	22.1%
28 Bank fees	10,000	17,000	13,000	3,000	30.0%	(4,000)	(23.5%)
Investment Expenses							
29 Investment management fees	8,292,000	8,102,926	9,113,000	821,000	9.9%	1,010,074	12.5%
30 Investment consultant and reporting	553,000	575,000	614,167	61,167	11.1%	39,167	6.8%
31 Bank custodian services	235,000	219,097	227,000	(8,000)	(3.4%)	7,903	3.6%
32 Other portfolio operating expenses (legal, valuation, tax)	512,000	751,610	794,000	282,000	55.1%	42,390	5.6%
33 Investment due diligence	55,817	46,511	72,320	16,503	29.6%	25,809	55.5%
Professional Services Expenses							
34 Actuarial services	397,750	325,000	457,000	59,250	14.9%	132,000	40.6%
35 Accounting services	61,950	59,000	61,950	-	0.0%	2,950	5.0%
36 Independent audit	143,300	145,000	143,915	615	0.4%	(1,085)	(0.7%)

Dallas Police & Fire Pension System Operating Budget Calendar Year 2025							
Description	2024 Budget	2024 Projected Actual*	2025 Proposed Budget	\$ Change 2025 Prop. Bud. vs. 2024 Bud.	% Change 2025 Prop. Bud. vs. 2024 Bud.	\$ Change 2025 Prop. Bud. vs. 2024 Proj. Actual	% Change 2025 Prop. Bud. vs. 2024 Proj. Actual
37 Legal fees	200,000	404,000	330,000	130,000	65.0%	(74,000)	(18.3%)
38 Legislative consultants	168,000	126,000	216,500	48,500	28.9%	90,500	71.8%
39 Public relations	-	-	50,000	50,000	100.0%	50,000	100.0%
40 Pension administration software & WMS	309,000	274,975	314,000	5,000	1.6%	39,025	14.2%
41 Business continuity	38,000	47,248	60,000	22,000	57.9%	12,752	27.0%
42 Network security monitoring	225,000	224,189	245,000	20,000	8.9%	20,811	9.3%
43 Disability medical evaluations	7,000	8,043	6,500	(500)	(7.1%)	(1,543)	(19.2%)
44 Elections	-	-	14,050	14,050	100.0%	14,050	100.0%
45 Miscellaneous professional services	50,950	35,492	38,750	(12,200)	(23.9%)	3,258	9.2%
Total Budget	17,494,863	16,843,391	19,303,546	1,808,683	10.3%	2,460,155	14.6%
Less: Investment management fees	8,292,000	8,102,926	9,113,000	821,000	9.9%	1,010,074	12.5%
Adjusted Budget Total	9,202,863	8,740,465	10,190,546	987,683	10.7%	1,450,081	16.6%

SUPPLEMENTAL BUDGET

Total Budget (from above)	17,494,863	16,843,391	19,303,546	1,808,683	10.3%	2,460,155	14.6%
Less: Allocation to Supplemental Plan Budget**	155,207	145,864	167,169	11,962	7.7%	21,305	14.6%
Total Combined Pension Plan Budget	17,339,656	16,697,528	19,136,377	1,796,721	10.4%	2,438,850	14.6%

* Projected based on 7/31/23 YTD annualized or estimated

** Allocation to Supplemental is based on JPM allocation between accounts as of 7/31/23 of .0087%

_____ 0.87% per JPM Unitization report as of 7/31/23

Significant Budget Changes - 2025
Budget Changes (>5% and \$25K)
SORTED BY THE \$ CHANGE FROM 2024 BUDGET TO 2025 BUDGET

		2024	2024	2025	\$ Change	% Change	\$ Change	% Change	
	Item	Budget	Projected Actual**	Budget	2025 Budget vs. 2024 Bud.	2025 Budget vs. 2024 Bud.	2025 Budget vs. 2024 Proj. Act.	2025 Budget vs. 2024 Proj. Act.	Explanation
	INCREASES:								
1	Investment management fees	8,292,000	8,102,926	9,113,000	821,000	9.9%	1,010,074	12.5%	Increased market value in plan assets.
2	Salaries and benefits	3,674,704	3,764,407	3,968,325	293,621	8.0%	203,918	5.4%	Increased cost related to increased benefit costs, salary increases, vacation/sick accrual and the addition of one staff.
3	Other portfolio operating expenses (legal, valuation, tax)	512,000	751,610	794,000	282,000	55.1%	42,390	5.6%	Increase primarily due to increased legal fees for new Investment Manager contracts and legacy private equity funds.
4	Legal fees	200,000	404,000	330,000	130,000	65.0%	(74,000)	(18.3%)	Increase due to Pension Administration Software project and other ongoing legal cases.
5	Depreciation Expense	201,248	237,468	289,984	88,736	44.1%	52,516	22.1%	Additional depreciation related to the TI projects from new tenants and expected new HVAC systems.
6	Building expenses	464,120	508,038	529,943	65,823	14.2%	21,905	4.3%	Increased expenses due to soil erosion projects and increased contract costs.
7	Investment consultant and reporting	553,000	575,000	614,167	61,167	11.1%	39,167	6.8%	Full year of private markets consultant fees, partially offset by non-recurring custodian search fees in 2024.
8	Actuarial services	397,750	325,000	457,000	59,250	14.9%	132,000	40.6%	Increased fees due to the Experience study due in 2025 along with additional fees for possible plan changes during the legislative session.
9	Public relations	-	-	50,000	50,000	100.0%	50,000	100.0%	Budgeted services for 2025. No previous budget for this item.
10	Legislative consultants	168,000	126,000	216,500	48,500	28.9%	90,500	71.8%	Additional Legislative consultant expenses are expected during the legislative session in 2025
	REDUCTIONS:								
11	Information technology projects	715,000	30,910	560,000	(155,000)	(21.7%)	529,090	1711.7%	The planned imaging project (\$550K budget) was not completed in 2024. It has been re-budgeted as a capital project in 2025. Partially offset by the PAS project phase one costs of \$550K.

** Projected based on 7/31/24 YTD annualized or estimated

Significant Budget Changes - 2025
Budget Changes (>5% and \$25K)
SORTED BY THE \$ CHANGE FROM 2024 PROJECTED ACTUAL TO 2025 BUDGET

		2024	2024	2025	\$ Change	% Change	\$ Change	% Change	
	Item	Budget	Projected Actual**	Budget	2025 Budget vs. 2024 Bud.	2025 Budget vs. 2024 Bud.	2025 Budget vs. 2024 Proj. Act.	2025 Budget vs. 2024 Proj. Act.	Explanation
	INCREASES:								
1	Investment management fees	8,292,000	8,102,926	9,113,000	821,000	9.9%	1,010,074	12.5%	Increased market value in plan assets.
2	Information technology projects	715,000	30,910	560,000	(155,000)	(21.7%)	529,090	1711.7%	Phase one expenses for the Pension Administration Software project \$500K is expected to be completed in 2025.
3	Salaries and benefits	3,674,704	3,764,407	3,968,325	293,621	8.0%	203,918	5.4%	Increased benefit costs, salary increases, vacation/sick accrual and the addition of one staff.
4	Actuarial services	397,750	325,000	457,000	59,250	14.9%	132,000	40.6%	Increased fees due to the Experience study due in 2025 along with additional fees for possible changes during the legislative session.
5	Legislative consultants	168,000	126,000	216,500	48,500	28.9%	90,500	71.8%	Additional Legislative consultant expenses are expected during the legislative session in 2025
6	Liability insurance	558,990	518,651	581,865	22,875	4.1%	63,214	12.2%	Increase due to increase in plan assets along with increases ranging from 0%-8% in the lines of insurance.
7	Depreciation Expense	201,248	237,468	289,984	88,736	44.1%	52,516	22.1%	Additional depreciation related to the TI projects from new tenants and expected new HVAC systems.
8	Public relations	-	-	50,000	50,000	100.0%	50,000	100.0%	Budgeted services for 2025. No previous budget for this item.
9	Other portfolio operating expenses (legal, valuation, tax)	512,000	751,610	794,000	282,000	55.1%	42,390	5.6%	Increase primarily due to increased legal fees for new Investment Manager contracts and legacy private equity funds.
10	Investment consultant and reporting	553,000	575,000	614,167	61,167	11.1%	39,167	6.8%	Full year of private markets consultant fees, partially offset by non-recurring custodian search fees in 2024.
11	Pension administration software & WMS	309,000.00	274,975	314,000	5,000	1.6%	39,025	14.2%	Expenses budgeted for some web member service enhancements and pension admin software changes for possible plan changes.
12	Repairs and maintenance	108,709	61,049	92,661	(16,048)	(14.8%)	31,612	51.8%	2024 actual expenses were less than expected. 2025 budget is less than 2024 budget.
13	Travel - Staff	43,300	24,868	53,350	10,050	23.2%	28,482	114.5%	Actual staff travel was less than budgeted for 2024, but we expect a return to budgeted levels in 2025.
14	Investment due diligence	55,817	46,511	72,320	16,503	29.6%	25,809	55.5%	Addition of peer ranking tool - \$12,500 and more staff due diligence travel as private markets are re-entered.
	REDUCTIONS:								
15	Legal fees	200,000	404,000	330,000	130,000	65.0%	(74,000)	(18.3%)	Budgeted legal fees for some ongoing cases expected to decline.