

**Dallas Police & Fire Pension System  
Operating Budget  
Calendar Year 2018**

Description	2017	2017	2018	\$ Change	% Change	\$ Change	% Change
	Budget	Projected Actual	Budget	vs Prior Yr Budget	vs Prior Yr Budget	vs Prior Yr Proj. Actual	vs Prior Yr Proj. Actual
<b>Administrative Expenses</b>							
1 Salaries and benefits	4,199,476	4,190,000	3,728,000	(471,476)	(11.2%)	(462,000)	(11.0%)
2 Employment expenses	3,009	450	151,125	148,116	4922.4%	150,675	33483.3%
3 Memberships and dues	17,600	17,600	17,040	(560)	(3.2%)	(560)	(3.2%)
4 Staff meetings	1,000	-	1,000	-	0.0%	1,000	N/A
5 Employee service recognition	1,960	1,200	-	(1,960)	(100.0%)	(1,200)	(100.0%)
6 Member educational programs	2,500	1,500	2,500	-	0.0%	1,000	66.7%
7 Member outreach programs	720	-	-	(720)	(100.0%)	-	N/A
8 Board meetings	13,360	7,000	10,100	(3,260)	(24.4%)	3,100	44.3%
9 Conference registration/materials - Board	51,615	10,000	14,400	(37,215)	(72.1%)	4,400	44.0%
10 Travel - Board	128,335	15,000	25,000	(103,335)	(80.5%)	10,000	66.7%
11 Mileage - Board	5,000	3,100	5,000	-	0.0%	1,900	61.3%
12 Conference/training registration/materials - Staff	32,450	6,800	27,050	(5,400)	(16.6%)	20,250	297.8%
13 Travel - Staff	60,550	32,000	47,000	(13,550)	(22.4%)	15,000	46.9%
14 Liability insurance	447,667	440,000	510,000	62,333	13.9%	70,000	15.9%
15 Communications (phone/internet)	64,312	57,000	49,100	(15,212)	(23.7%)	(7,900)	(13.9%)
16 Information technology projects	20,000	3,000	75,000	55,000	275.0%	72,000	2400.0%
17 IT subscriptions/services/licenses	122,950	84,000	147,100	24,150	19.6%	63,100	75.1%
18 IT software/hardware	39,800	9,400	17,000	(22,800)	(57.3%)	7,600	80.9%
19 Building expenses, incl capitalizable fixed assets	599,266	450,000	337,337	(261,929)	(43.7%)	(112,663)	(25.0%)
20 Repairs and maintenance	97,508	120,000	110,092	12,584	12.9%	(9,908)	(8.3%)
21 Office supplies	31,800	32,000	30,500	(1,300)	(4.1%)	(1,500)	(4.7%)
22 Leased equipment	20,500	24,000	24,500	4,000	19.5%	500	2.1%
23 Postage	27,700	30,000	25,800	(1,900)	(6.9%)	(4,200)	(14.0%)
24 Printing	5,635	5,000	6,370	735	13.0%	1,370	27.4%
25 Subscriptions	2,510	1,200	2,020	(490)	(19.5%)	820	68.3%
26 Records storage	1,200	1,200	1,560	360	30.0%	360	30.0%
27 Administrative contingency reserve	-	150	-	-	N/A	(150)	(100.0%)

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	Budget	Projected Actual	2017 Budget	2017 Actual		\$ Change vs Prior Yr Budget	% Change vs Prior Yr Budget	\$ Change vs Prior Yr Proj. Actual	% Change vs Prior Yr Proj. Actual				
<b>Investment Expenses</b>													
28 Investment management fees	N/A	17,416,000	17,522,000	N/A	17,522,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29 Investment consultant and reporting	575,000	489,000	505,000	489,000	505,000	(70,000)	(12.2%)	16,000	3.3%	16,000	3.3%	16,000	3.3%
30 Bank/security custodian services	328,600	262,000	260,000	262,000	260,000	(68,600)	(20.9%)	(2,000)	(0.8%)	(2,000)	(0.8%)	(2,000)	(0.8%)
31 Other portfolio operating expenses (legal, valuation, tax)	N/A	2,187,000	860,000	2,187,000	860,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Professional Services Expenses</b>													
32 Actuarial services	600,000	550,000	150,000	550,000	150,000	(450,000)	(75.0%)	(400,000)	(72.7%)	(400,000)	(72.7%)	(400,000)	(72.7%)
33 Accounting services	59,000	59,000	59,000	59,000	59,000	-	0.0%	-	0.0%	-	0.0%	-	0.0%
34 Independent audit	149,500	149,500	152,500	149,500	152,500	3,000	2.0%	3,000	2.0%	3,000	2.0%	3,000	2.0%
35 Legal fees	2,514,800	1,610,000	2,000,000	1,610,000	2,000,000	(514,800)	(20.5%)	390,000	24.2%	390,000	24.2%	390,000	24.2%
36 Legislative consultants	324,000	307,000	271,000	307,000	271,000	(53,000)	(16.4%)	(36,000)	(11.7%)	(36,000)	(11.7%)	(36,000)	(11.7%)
37 Public relations	290,000	245,000	-	245,000	-	(290,000)	(100.0%)	(245,000)	(100.0%)	(245,000)	(100.0%)	(245,000)	(100.0%)
38 Pension administration software & WMS	271,000	250,000	291,000	250,000	291,000	20,000	7.4%	41,000	16.4%	41,000	16.4%	41,000	16.4%
39 Business continuity	13,500	15,000	13,500	15,000	13,500	-	0.0%	(1,500)	(10.0%)	(1,500)	(10.0%)	(1,500)	(10.0%)
40 Network security	35,000	15,000	33,000	15,000	33,000	(2,000)	(5.7%)	18,000	120.0%	18,000	120.0%	18,000	120.0%
41 Disability medical evaluations	12,500	7,000	30,000	7,000	30,000	17,500	140.0%	23,000	328.6%	23,000	328.6%	23,000	328.6%
42 Elections	10,000	32,000	-	32,000	-	(10,000)	(100.0%)	(32,000)	(100.0%)	(32,000)	(100.0%)	(32,000)	(100.0%)
43 Miscellaneous professional services	122,000	108,000	18,300	108,000	18,300	(103,700)	(85.0%)	(89,700)	(83.1%)	(89,700)	(83.1%)	(89,700)	(83.1%)
<b>Total without Investment Expenses not previously budgeted for</b>	<b>11,303,323</b>	<b>9,640,100</b>	<b>9,147,894</b>	<b>9,640,100</b>	<b>9,147,894</b>	<b>(2,155,429)</b>	<b>(19.1%)</b>	<b>(492,206)</b>	<b>(5.1%)</b>	<b>(492,206)</b>	<b>(5.1%)</b>	<b>(492,206)</b>	<b>(5.1%)</b>
<b>Gross Total</b>	<b>11,303,323</b>	<b>29,243,100</b>	<b>27,529,894</b>	<b>29,243,100</b>	<b>27,529,894</b>	<b>N/A</b>	<b>N/A</b>	<b>(1,713,206)</b>	<b>(5.9%)</b>	<b>(1,713,206)</b>	<b>(5.9%)</b>	<b>(1,713,206)</b>	<b>(5.9%)</b>
Less: Allocation to Supplemental Plan Budget*	75,246	251,608	236,867	251,608	236,867	N/A	N/A	(14,740)	(5.9%)	(14,740)	(5.9%)	(14,740)	(5.9%)
<b>Total Combined Pension Plan Budget</b>	<b>11,228,077</b>	<b>28,991,492</b>	<b>27,293,027</b>	<b>28,991,492</b>	<b>27,293,027</b>	<b>N/A</b>	<b>N/A</b>	<b>(1,698,466)</b>	<b>(5.9%)</b>	<b>(1,698,466)</b>	<b>(5.9%)</b>	<b>(1,698,466)</b>	<b>(5.9%)</b>

\* Allocation to Supplemental is based on JPM allocation between accounts as of 9/30/17 of .8604%

## Management Fee Budget - 2018

		2018	
Asset Category	Asset Class	Management Fee Budget*	Fee as a % of Market Value
Equity	Global Equity	\$ 2,400,000	0.57%
	Emerging Markets Equity	364,000	0.70%
	Private Equity	4,145,000	1.54%
Fixed Income	Liquid Fixed Income <sup>^</sup>	1,973,000	0.48%
	Private Debt	207,000	1.61%
GAA	Risk Parity	837,000	0.84%
	GTAA	287,000	1.00%
	Absolute Return	1,356,000	3.80%
Real Assets	Natural Resources	1,726,000	0.98%
	Infrastructure	1,378,000	2.10%
	Real Estate	2,848,000	0.57%
<b>TOTAL</b>		<b>\$ 17,522,000</b>	<b>0.83%</b>

\* - The Management Fee Budget does not include any carried interest or profit sharing paid to the General Partner ("GP"), which is typical in private equity and debt structures. The budget includes management fees, performance/incentive fees & disposition fees paid to the fiduciary investment manager, as well as the base management fees payable to the GP.

<sup>^</sup> - Liquid Fixed Income combines the following asset classes for presentation purposes due to their similar fee levels: Short-Term Core Bonds, Global Bonds, High Yield, Bank Loans & Emerging Markets Debt.