

FINAL



## *Dedham Contributory Retirement Board*

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### *Director*

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*Deputy Director*

### *Members of the Board*

Thomas A. Rorrie, Chair

Stephen M. MacDougall

Michael Doyle

Adam Satriano

# **Budgeted Expense Fund**

## **2025**

**ATTENTION:** In accordance with §36 of Chapter 306 of the Acts of 1996, the Expense Fund of retirement systems will be funded through Investment Income.

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**Dedham Contributory Retirement Board  
Budgeted Expense Fund – Table of Contents  
2025**

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***Board Approved November 20, 2024***

## EXECUTIVE SUMMARY:

The Expense Fund provides for the cost of administrative expenses, including fees associated with investments, for the year. The Fund maintains a zero-dollar balance as it is replenished by transfers from Investment Income for the total expended during the year, and not by the Town's and/or Housing Authority's appropriation payments. The 2025 Budgeted Expense Fund calls for a 4.2% increase over the projected 2024 expenditures. However, this is also 13.6% less than the 2024 budget, or \$211,000.

The Dedham Contributory Retirement Board (the "Board") has adopted the Public Employee Retirement Administration Commission (PERAC) *Accounting Manual* for the processing and classifications of Expense Fund transactions using the accrual basis of accounting. All expenditures are reviewed by the members of the Board and approved, as evidenced by their signatures on the warrants, by at least a majority of the Board at their regularly scheduled monthly Board meetings.

## ASSUMPTIONS:

- 5119 **Staff Salaries** – existing contractual obligations, which include cost-of-living adjustments, are set to expire June 30, 2025. Increases of 3% have been budgeted for the salaries plus additional increases in the longevity pay for a 3.35% total increase.
- 5304 **Management Fees** – continues to be the single largest line item in the Budget. These investment fees had been rather flat over the past three years. For 2025, the fees have been budgeted to increase 2.25% above the projected costs for 2024.
- 5308 **Legal Expenses** – projected increases to cover any additional costs that could arise due to litigation and/or statutory changes throughout the year. 2024 was a quiet year, running about 1/3<sup>rd</sup> the cost of 2023. Budgeting at roughly 2/3<sup>rd</sup>'s of the 2023 expense.
- 5310 **Fiduciary Insurance** – 2023 and 2024 budgets provided for 6.75% increases. The 2025 budget has reduced that to 5% as the growth has not been as sharp as predicted.
- 5311 **Service Contracts** – these fees for the death notification service and copier lease are projected to finish underbudget for '24 and, therefore, have not been budgeted to increase from the original '24 amount. This results in an increase of only \$265, but 7.7%.

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- 5312 **Rent Expense** – the current lease expires December 31, 2024 and the landlord has yet to determine a new rate. A suitable alternative has not been located within Dedham yet. A 3% increase has been factored in from the 2024 budget which includes the variable cost of snow removal. This was used for the 1<sup>st</sup> quarter of the 2025 budget and then a 50% increase was used for the remainder of the year under the assumption better accommodations could be found.
- 5315 **Professional Services** – the database provider covers nearly three-fourths of this line item. In addition, classifications within encompass the Workers' Comp and Content Insurance along with the monthly website maintenance. Budgeted an increase of 3.2% which is consistent with the annual Core Consumer Price Index (CPI) as of August 2024.
- 5316 **Actuarial Services** – there is no valuation report scheduled for 2025. However, there will be the required GASB which has been budgeted to increase \$500. There would be additional charges for any analysis' such as future cost benefits to COLA adjustments; however, they have not been priced in at this time.
- 5320 **Education and Training** – the cost of tuition, fees, seminars, and similar services provided for the purpose of enhancing the knowledge and skills of the retirement system Board and staff. This includes the annual dues for both MACRS and NCPRS as well as the individual participation fees at the various conferences. This budget calls for an increase back to the pre-pandemic levels of 2019.
- 5589 **Administrative Expenses** – budgeting an increase of 3.2% which is equal to the annual Core Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics for August 2024.
- 5599 **Furniture and Equipment** – permitting the annual allotment of \$15,000 for the Director to spend as they see fit on maintaining a well-functioning office space. Additional costs may be necessary if/when the office is relocated. Any anticipated costs above \$15,000 will be discussed with the Board prior to making any commitments.
- 5719 **Travel Expense** – has been budgeted to be proportionate with the pre-pandemic ratio of Education & Training.

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**Dedham Contributory Retirement Board**  
**Budgeted Expense Fund**  
**For the Year Ended December 31, 2025**

<u>A/C #</u>	<u>Description</u>	<u>DECEMBER 31,</u>	
		<u>2024</u>	<u>2025</u>
		<u>PROJECTED</u>	<u>BUDGETED</u>
5119	Staff Salaries	\$ 212,881	\$ 220,016
5304	Management Fees	945,082	966,346
5308	Legal	15,391	30,782
5310	Fiduciary Insurance	6,695	7,030
5311	Service Contracts	3,437	3,702
5312	Rent	20,175	28,573
5315	Professional Services	41,231	42,550
5316	Actuarial Services	30,000	8,000
5320	Education & Training	1,511	4,250
5589	Administrative	11,527	11,896
5599	Furniture & Equipment	0	15,000
5719	Travel	345	3,855
<b>Total Expense Fund</b>		<u>\$ 1,288,275</u>	<u>\$ 1,342,000</u>

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## NOTES

APPROVED