

FINAL



Dedham Contributory Retirement Board

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Budgeted Expense Fund 2026

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
2026**

<u>Description</u>	<u>Page</u>
Executive Summary	1
Assumptions	1 & 2
Comparative	3

Board Approved December 17, 2025

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 2026 Budgeted Expense Fund calls for an 8% increase over the projected 2025 expenditures based upon the assumptions identified below.

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 – contractual obligations were negotiated, re-aligning the staff with current industry compensation, which included cost-of-living adjustments, that expired June 30, 2025. Increases of 3% have been budgeted for the salaries plus additional increases in the longevity pay.

5304 Management Fees – continues to be the single largest line item in the Budget. These investment fees have been rather flat over the past three years. For 2026, the fees have been budgeted to increase 3.25% above the projected costs for 2025.

5308 Legal Expenses – in the 4th quarter of 2025, an RFP for Legal Services was issued as Attorney Quirk retired. 2025 was a quiet, transitional, year. This budget is allocating a 5.5% increase above the 2025 Budget for Legal fees.

5310 Fiduciary Insurance – the 2025 budget has reduced the 6.25% growth rates from prior years to 5% as the growth has not been as sharp as predicted. 2026 is using the same increase.

5311 Service Contracts – these fees cover the death notification service and copier lease. Although budgeted for a 5% increase, that results in only less than \$200 for the year.

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

5312 Rent Expense – the Board relocated and entered into a 3-year lease commencing 8/1/2025 with annual increases on the anniversary date.

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 & network maintenance. Budgeted an increase of 3.0% which is consistent with the annual Core Consumer Price Index (CPI) as of Sept 2025.

5316 Actuarial Services – a bi-annual valuation report is scheduled for 2026. However, there is an outstanding RFP and the terms of a contract are unknown. Conservatively, a 5% growth rate was used for budgeting purposes from the prior analysis conducted in 2024.

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, or a \$250 increase over the 2025 budgeted amount.

5589 Administrative Expenses – budgeting an increase of 3.0% which is equal to the annual Core Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics for September 2025.

5599 Furniture and Equipment – the annual allotment of \$15,000 for the Director to spend as they see fit in order to maintain a well-functioning office space has not been increased in several years. The recent office relocation provided an ideal time to implement some updates. However, it also highlighted the need to increase the threshold for the Director's authority to make acquisition without having to seek prior approval from the Board. As always, any anticipated costs above that limit would be discussed with the Board prior to making any commitments. The Board would also subsequently review the purchases while inspecting the monthly warrants as evidenced by the Minutes.

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, 2026

<u>A/C #</u>	<u>Description</u>	<u>DECEMBER 31,</u>	
		<u>2025</u>	<u>2026</u>
		<u>PROJECTED</u>	<u>BUDGETED</u>
5119	Staff Salaries	\$ 219,144	\$ 240,987
5304	Management Fees	950,000	980,875
5308	Legal	15,635	32,475
5310	Fiduciary Insurance	6,750	7,088
5311	Service Contracts	3,750	3,938
5312	Rent	43,189	52,515
5315	Professional Services	41,498	42,743
5316	Actuarial Services	8,000	31,500
5320	Education & Training	2,967	4,500
5589	Administrative	12,253	12,620
5599	Furniture & Equipment	20,200	19,500
5719	Travel	3,855	4,095
Total Expense Fund		<u>\$ 1,327,241</u>	<u>\$ 1,432,836</u>

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NOTES

APPROVED