

# First Responder

VOLUME 2006.09, SEPTEMBER 2006

## Introducing the 2007 Pension System Budget

By George Tomasovic

*Fire Trustee and Chairman of Administrative Advisory Committee*



Another year has gone by and once again the Pension System's Board of Trustees and Staff are in the midst of finalizing a new budget for 2007. The System's staff, in addition to all their other responsibilities, devotes a considerable amount of time and energy this time of year into preparing our budget. Their goal is to provide the greatest amount of service to our members at a reasonable cost. Believe me, it's not an easy task. I like to take this opportunity every year to thank the staff for all their long hours and hard work so the rest of us can rest easy knowing that the System's assets are in good hands.

Here's a quick overview of the proposed budgets:

### Overview

The budget runs from January 1, 2007 through December 31, 2007 and is divided into 2 parts:

The *Administrative Budget* includes the expenses necessary for the everyday operations of the System. For 2007 the budgeted amount is \$3.5 million, up 10% from 2006. The increase is due primarily to the hiring of additional personnel. As the fund grows so does the need for people to

*See "2007 Budget" on page 2*

## Bikers and Badges Rally Benefits Children



Chief Kunkle reads a proclamation from Mayor Laura Miller, as (left to right) Randy James (KZPS), Ben Caperton (Event organizer, DPD Retiree) and Donnie Nelson (Dallas Mavericks) look on.



Motor Officers from Texas and Oklahoma gathered for the North Texas Police Motorcycle Training Competition as part of the Bikers and Badges Rally at Dallas West End on September 8 and 9.

OCT. 12: REGULAR  
BOARD MEETING

OCT. 19: PREP SEMINAR

NOV. 9 : REGULAR  
BOARD MEETING

NOV 23,24: OFFICE  
CLOSED; THANKSGIVING

## DPD's Senior Officer to Retire

Sgt. Marshal N. "Fuzzy" Furr (Badge #1784) will retire with 44 years of service. Sgt. Furr started as a reserve officer with his father in 1959 and later joined the department in 1962. He promoted to sergeant in 1966 and has worked in the Auto Theft Unit for the last 40 years.

There will be a party honoring Sgt. Furr on Tuesday, October 24, 2006, 1:30 p.m. at the Jack Evans Police Headquarters, 2nd floor Media Conference Room.



Sgt. Furr

Anyone wanting to contribute or make a special presentation may contact J. Dennis at (214) 671-3531, C. Chambers at (214) 671-3552 or E. Cadena at (214) 671-3523.

## Budget Process (Continued from Page 1)

handle all the benefit, accounting, legal and other duties that go with providing services.

The *Professional Services Budget* covers outside services such as legal, consulting, actuary and investment management not performed by System staff. The budgeted figure for 2007 for services not directly related to the investment of System assets is \$3.2 million. The 2007 budget proposal is increased over the 2006 budget primarily to fund special projects to implement new Member Service programs and assure continued operations in the event of a disaster, to cover increased need for legal services due to the complexity of the investment structure necessary to maintain the high level of performance achieved by the System and to provide legal protection to Board and Staff in the performance of their duties.

Investment management fees estimated at \$16.5 million also are included in the Professional Services budget. Manger fees are based on the level of System assets and are up 32 % from 2006. To a large extent, our investment managers are paid according to their performance. At the end of 2005 the System's assets were \$2.6 billion. As of August 31, 2006, the System's market value has grown to \$2.9 billion.

As assets increase and when the investment managers do well we have to pay them more. Of course, this is a good thing because we expect them to do really, really well.

Even with these increases in the budget we still are operating at

less than 1% of assets, which is our goal.

The full Board reviewed the proposed 2007 Administrative and Professional Services budgets at the September 14th meeting. The first reading of the budget will be at the October 12th meeting and the final reading will take place at the November 9th meeting.

The proposed budgets may be amended at the October or November meetings. If you'd like to provide input on the budget you can do so at either of the October or November meetings. The budget will be considered at each date at 10:00 a.m. at the Pension office, 2301 N. Akard Street, in the first floor conference room.

### Comments and Questions

If you have questions or comments about the proposed budgets, call the Pension System office at 214.638.3863 or contact us through the website at [www.dpfp.org](http://www.dpfp.org). Also, please feel free to contact your Trustees with your questions. If you would like to see the complete budget packet as presented to the Board at the October meeting, contact Don Rohan at the Pension System office.

A handwritten signature in cursive script that reads "George Tomasovic".

George Tomasovic

*Fire-Rescue Trustee*

*Chairman of the Administrative  
Advisory Committee*

# Dallas Police and Fire Pension System 2007 Proposed Budget

## Administrative Budget

DESCRIPTION	PROPOSED BUDGET
<b>SALARIES &amp; BENEFITS</b> .....	<b>2,744,431</b>
<b>SUPPLIES &amp; MATERIALS:</b>	
OFFICE SUPPLIES .....	65,000
POSTAGE .....	95,000
EDUCATIONAL PROGRAMS .....	48,000
<b>Sub-Total Supplies &amp; Mat.</b> .....	<b>208,000</b>
<b>SERVICES:</b>	
PRINTING .....	105,000
MEDICAL .....	5,000
COMMUNICATIONS .....	65,000
REPAIRS & MAINTENANCE .....	19,000
LEASED EQUIPMENT .....	27,500
OFFICE INSURANCE .....	10,000
MEMBERSHIPS .....	17,000
SUBSCRIPTIONS .....	3,000
CONTINUING EDUCATION .....	123,000
MILEAGE REIMBURSEMENT .....	8,000
STAFF DEVELOPMENT .....	56,000
BUSINESS CONTINUITY .....	30,000
CONTINGENCY RESERVE .....	50,000
EMPLOYMENT EXPENSES .....	5,000
<b>Sub-Total Services</b> .....	<b>523,500</b>
<b>FIXED ASSETS-GENERAL</b> .....	<b>84,000</b>
<b>REVENUE FROM SUPPLEMENTAL</b> .....	<b>(50,665)</b>
<b>TOTAL =====&gt;</b> .....	<b>3,509,266</b>

## Professional Services Budget

DESCRIPTION	PROPOSED BUDGET
ACTUARIAL SERVICES .....	160,000
CUSTODIAL BANKING SERVICES .....	325,000
ELECTIONS .....	23,000
ERRORS AND OMISSIONS INSURANCE .....	300,000
FINANCIAL MONITORING .....	42,000
INDEPENDENT AUDIT .....	40,000
INFORMATION TECHNOLOGY PROJECTS .....	192,000
INVESTMENT CONSULTANT - .....	400,000
INVESTMENT RESEARCH EXPENSE .....	162,500
LEGAL FEES .....	700,000
LEGAL DATA SERVICES .....	4,000
LEGISLATIVE CONSULTANT .....	66,600
LEGISLATIVE CONSULTANT .....	130,000
LEGISLATIVE CONFERENCES AND MEETINGS .....	51,250
MISC. PROFESSIONAL SERVICES .....	14,500
NETWORK SECURITY .....	62,000
PENSION ADMINISTRATION SOFTWARE .....	244,000
REAL ESTATE CONSULTANT .....	209,135
RECORDS MANAGEMENT .....	12,000
 ALL NON-INVESTMENT MANAGER FEES .....	 3,137,985
 INVESTMENT MANAGER FEES:	
All Investment Managers - Average 50 basis points .....	16,500,000
 <b>TOTAL =====&gt;</b> .....	 <b>19,637,985</b>

## CONGRATULATIONS NEW RETIREES!

### *FIRE-RESCUE*

Raymond D. Munday  
Helen M. Russell  
Michael A. Yudzky

### *POLICE*

Barry L. Anderson  
Linda P. Johnson  
James E. Skelly  
Albert C. Wagner

## From the Administrator

By **Richard Tettamant, Pension System Administrator**

Fire Trustee George Tomasovic introduces the 2007 budget in this issue of the *First Responder*. As George indicates, the passing of the budget is a long and involved process. This process is designed to assure that the System uses its resources prudently to provide necessary and appropriate services to our Members, Pensioners and Beneficiaries and to safeguard System assets.



**Richard Tettamant**

New positions added to the budget reflect the growing needs of the membership and the complexity of operating a modern pension system. For example, the Board created the Pensioner Advocate position a few years ago and Gale Paul has since proved to be one of our most valuable assets. So much so that we are seeking to add a position that is needed to assist Gale as her role with our Pensioners continues to grow.

The System's investment return regularly ranks us among the best performing public pension plans in the country. This performance can be attributed to the Board's continuing efforts to get the most out of our investments, such as our interest in real estate. The enhanced returns, however, come at a cost. Many of our investments involve complex terms and require lengthy contracts. The budget proposal adds a staff attorney to help assure that we stay on top of the investments.

The System also is looking to beef up our ability to respond to a disaster that could interrupt our operations. We rank getting the pension checks out on time each month as our #1 priority. Our current provisions address this goal, but additional resources are needed to assure that other System functions can be maintained in the face of a disaster.

Finally, for those who are in DROP (Deferred Retirement Option Plan), the DROP annual interest rate has been increased from 9.50 % to 9.75 % effective October 1, 2006.

If you have any questions about your pension benefits, contact the pension system office at by e-mail at [info@dppf.org](mailto:info@dppf.org) or call us at 214.638.3863 or 1.800.638.3863. In this busy season, you may have to make an appointment for either a telephone or in person counseling session to allow time for research.

Sincerely,

*Richard L. Tettamant*

Pension System Administrator

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