

## Management Fee vs. Incentive Bonus

**B**etween 1996 and 2006 the Directors on our Boards were unaware of payments made to Staff for what is commonly called the “Incentive Plan.” It was implemented and managed solely by the General Manager without any authorization by any board. Directors who stand up today and state that they were aware of this “Incentive Plan” unknowingly are referencing earlier “Safety” and “Bonus” plans that were authorized and known to the Boards prior to 1996.

Details for these earlier plans can be found in the General Ledger under specific Account Numbers as noted in the Chart of Accounts, however, there is no unique number for the “Incentive Plan.” These monies are completely hidden and only PCM Staff could identify the source of the monies from within the General Ledger.

In 2006 existence of this “Incentive Plan” became

public, although we are still awaiting an accounting of monies paid to Staff. Due to the uproar of this hidden activity, the General Manager terminated this “Incentive Plan.” An unverified amount of \$5.4M dollars was supposedly paid into this plan between 1996 and 2006, for an average of \$540K per year.

PCM and the Boards made much ado about the savings (?) incurred when the GM eliminated this “Incentive Plan.” However, not to be deterred, PCM between 2006 and 2009 increased their yearly “Management Fee” from \$372 K to \$665 K, for an increase of 79%.

This yearly increase of \$293 K allows PCM to continue their Staff “Incentive Plan” under another name, “Management Fee.” Unfortunately, our Boards have had the WOOL PULLED OVER THEIR EYES ONCE AGAIN, and **we are paying for it.**

