

ADDITIONAL QUESTIONS REGARDING ORDINANCE 2015-304

July 5, 2015

General questions regarding the Share Plan.

A Share Plan is similar to our deferred compensation plan except the money being put into the plan is coming from Chapter Funds (not our paychecks) and the money is invested in the same investments as the rest of the pension fund investments. Only active members are eligible (members in the DROP or retired will not receive a share). The pension fund will receive approximately \$5 million of chapter funds this next fiscal year.

Each year (starting with October 1st of this year) the PFPF board must vote on how to distribute the Chapter Funds. The board has three choices and can allocate all or none to each: pay the retiree "holiday bonus", pay into the Share Plan, or pay down the unfunded liability.

Each active member will receive a share of the amount that the board votes to distribute to the Share Plan. The amount in each active member's account will earn the same as what the pension investments earn. The historical pension investment earnings are:

2010	8.45%
2011	0.64%
2012	18.25%
2013	14.29%
2014	10.73%

5 YR Avg	10.47%
10 YR Avg	7.50%
15 YR Avg	6.56%
20 YR Avg	8.47%
25 YR Avg	6.92%