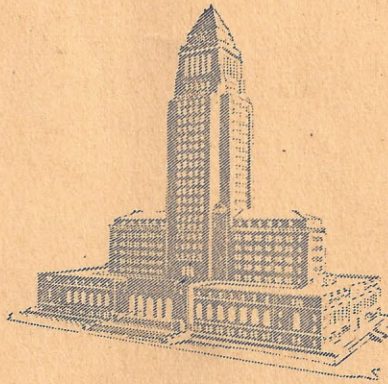


Arch

REPORT
OF THE BOARD OF
PENSION COMMISSIONERS

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR
ENDED JUNE 30, 1928
WITH
Charter Provisions Governing System

REPORT
OF THE
Board of Pension Commissioners
City of Los Angeles
California

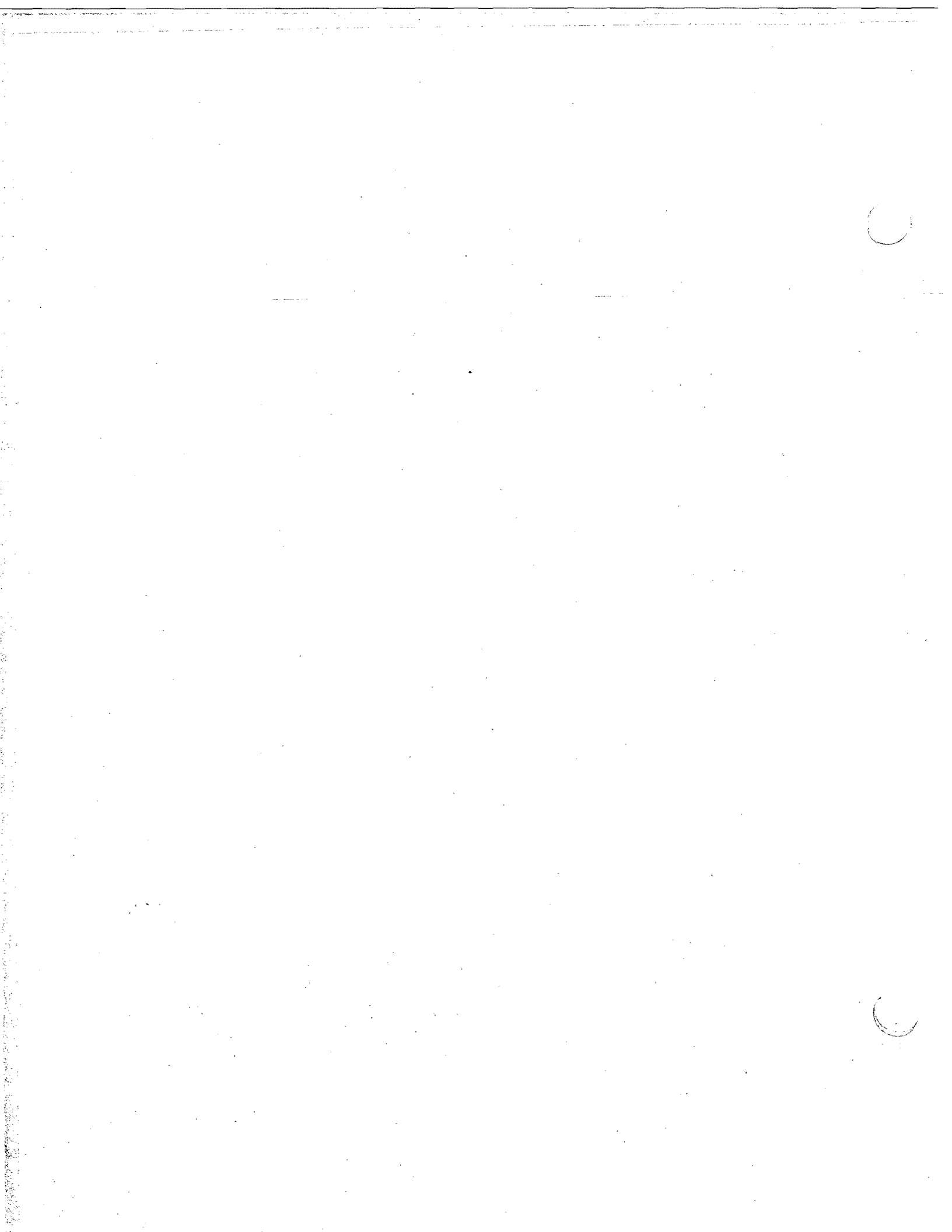


FOR THE FISCAL YEAR ENDED JUNE 30, 1928

WITH

Charter Provisions Governing System

Police Printing Bureau



Personnel of the
BOARD OF PENSION COMMISSIONERS

IRVING H. HELLMAN, President
(Term Expires July 1, 1933)

MRS. J. O. COLWELL, Vice President
(Term Expires July 1, 1929)

PATRICK J. COONEY
(Term Expires July 1, 1931)

ARTHUR R. KINKEL
(Term Expires July 1, 1930)

R. HOLTBY MYERS
(Term Expires July 1, 1932)

L. V. McCARDLE, Manager-Secretary

Board of Pension Commissioners Report

Thirty-eight applications for pensions were granted during the past fiscal year and fourteen pensions were discontinued, leaving a total of three hundred and thirty on the pension roll, of which number fifty-seven former members of the Fire Department and one hundred eleven former members of the Police Department are retired on account of having served for more than twenty years in the aggregate in their respective departments. Forty-one members of the Fire Department and thirty-one members of the Police Department are receiving pensions on account of disability incurred in, or sickness caused by, the performance of their duty. Twenty-eight widows of deceased members of the Fire Department and fifty-three widows of deceased members of the Police Department, who lost their lives while in the performance of their duty or died after having been retired from active service, are being paid pensions. There are four groups of minor children and five dependent parents of deceased members of the Fire and Police Departments who are being paid pensions.

Financial and Operating statements for the fiscal year ended June 30, 1928, are submitted herewith and these results have been compared with corresponding figures for the fiscal year ended June 30, 1927.

INVESTMENTS—PAR VALUE—\$4,431,488.12: This represents the par value of bonds owned at June 30, 1928, as shown in detail on Pages 6, 7 and 8 of this report.

Bonds owned are in the custody of the Treasurer of the City of Los Angeles. The bonds were recently inspected by the City Controller and found to be in agreement with this report.

BOND PREMIUM UNAMORTIZED—\$224,901.56: A premium has been paid on practically all bonds which have been purchased. This premium is being properly pro-rated over the life of the issues affected, which has the affect of reducing the Income from Interest on Investments to the amount which the bonds were purchased to yield.

The Unamortized Premium in the sum of \$224,901.56 at June 30, 1928, as shown on Page 8, represents the amount at that date which is to be charged off over the life of the bonds affected.

ACCRUED INTEREST ON INVESTMENTS—\$70,701.11: Interest earned on bonds owned, but not received at June 30, 1928, in the sum of \$70,701.11, as shown on Page 8 of this report.

OPERATIONS

The Operations for the fiscal year ended June 30, 1928, resulted in a Net Income of \$1,930,383.25, as shown in detail on Page 5. Stated in condensed form was as follows:

	Total	Fire Department	Police Department
Income	\$2,467,175.74	\$1,116,874.68	\$1,350,301.06
Deduct:			
Pensions Paid.....	536,792.49	220,437.20	316,355.29
	\$1,930,383.25	\$ 896,437.48	\$1,033,945.77

The division of Income received and Pensions paid, as between Departments, has been determined on actual results where obtainable, and in the absence of actual figures governing correct distribution of all other items, percentage figures have been employed which, in our opinion, reflect as nearly correct final results as can be determined.

**CITY OF LOS ANGELES
DEPARTMENT OF PENSIONS**

BALANCE SHEET

At June 30, 1928, as compared with June 30, 1927

ASSETS	June 30, 1928	June 30, 1927	Increase
Cash on Deposit with City Treasurer—			
Pension Fund	\$ 522,702.72	\$ 37,428.14	\$ 485,274.58
Operating Expense Fund	3.00		3.00
	\$ 522,705.72		\$ 485,277.58
Investments—			
Par Value	\$4,431,488.12	\$3,038,650.00	\$1,392,838.12
Premium Unamortized	224,901.56	190,547.66	34,353.90
	\$4,656,389.68	\$3,229,197.66	\$1,427,192.02
Accrued Interest on Investments	70,701.11	52,784.46	17,916.65
Furniture and Fixtures	2,904.64	2,771.59	133.05
Total	\$5,252,701.15	\$3,322,181.85	\$1,930,519.30

The above Assets are represented by the following Accounts:

Accounts Payable	3.00		3.00
City of Los Angeles—Investment:			
Surplus—			
Fire Department	\$2,423,392.25	\$1,526,954.77	\$ 896,437.48
Police Department	2,826,401.26	1,792,455.49	1,033,945.77
	\$5,249,793.51	\$3,319,410.26	\$1,930,383.25
Furniture and Fixtures	2,904.64	2,771.59	133.05
Total	\$5,252,701.15	\$3,322,181.85	\$1,930,519.30

**CITY OF LOS ANGELES
DEPARTMENT OF PENSIONS
OPERATING STATEMENT
For Periods Shown Below**

INCOME:	For the Fiscal Year Ended June 30, 1928			For the Fiscal Year Ended June 30, 1927		
	Total	Fire Department	Police Department	Total	Fire Department	Police Department
Taxes	\$1,259,841.49	\$ 571,360.40	\$ 688,481.09	\$ 797,717.00	\$ 343,289.92	\$ 454,427.08
Interest earned on Investments.....	188,519.81	86,720.43	101,799.38	128,696.53	59,855.47	68,841.06
Contributions	376,034.90	152,187.25	223,847.65	157,737.20	63,702.25	94,034.95
Fines	2,566.15	.....	2,566.15	2,692.65	.....	2,692.65
Sale of Unclaimed Property.....	4,294.63	.....	4,294.63	9,814.34	.....	9,814.34
Rewards	35.00	.....	35.00	.....	.....	.....
Bonus (From Bonds Redeemed).....	172.76	79.47	93.29	.....	.....	.....
To Liquidate Deficit (from Taxes).....	635,711.00	306,527.13	329,183.87	.....	.....	.....
Total	\$2,467,175.74	\$1,116,874.68	\$1,350,301.06	\$1,096,657.72	\$ 466,847.64	\$ 629,810.08
Deduct:						
Pensions Paid—Service	\$ 282,608.78	104,161.06	178,447.72	194,094.06	67,058.59	127,035.47
Disability	106,165.64	65,230.90	40,934.74	75,760.08	45,486.10	30,273.98
Widows	136,419.22	47,018.75	89,400.65	99,151.40	32,773.19	66,378.21
Minors	4,026.67	2,706.67	1,320.00	1,980.00	1,020.00	960.00
Dependents	7,572.18	1,320.00	6,252.18	2,274.57	946.83	1,327.74
Total Pensions.....	*\$ 536,792.49	220,437.20	316,355.29	373,260.11	147,284.71	225,975.40
Net Income.....	1,930,383.25	896,437.48	1,033,945.77	723,397.61	319,562.93	403,834.68
Add:						
Surplus—Beginning of Periods.....	\$3,319,410.26	1,526,954.77	1,792,455.49	2,596,012.65	1,207,391.84	1,388,620.81
Surplus—Close of Periods.....	\$5,249,793.51	\$2,423,392.25	\$2,826,401.26	\$3,319,410.26	\$1,526,954.77	\$1,792,455.49
*Retroactive Pension Amount totaling \$77,610.67 is included in this item and is segregated as follows:						
Service	\$ 28,870.30	15,412.36	13,457.94			
Disability	14,850.38	10,260.38	4,590.00			
Widows	33,349.99	10,889.06	22,460.93			
Minors	180.00	.....	180.00			
Dependents	360.00	180.00	180.00			
Total	\$ 77,610.67	\$ 36,741.80	\$ 40,868.87			

**CITY OF LOS ANGELES
DEPARTMENT OF PENSIONS**

INVESTMENTS

At June 30, 1928

Descriptive	Interest Rate		Par Value	Unamortized	Accrued
	Coupon	Yield		Premium	Interest
				June 30, 1928	June 30, 1928
1927 City of Arcadia Water.....	5.00%	4.375%	\$ 30,000.00	\$ 3,075.89	\$ 437.50
1927 City of Azusa City Hall.....	5.00	4.375	12,000.00	1,274.06	150.00
1926 Beverly Hills School District.....	5.00	4.475	40,000.00	1,604.86	833.34
1924 Beverly Hills City Water.....	5.00	4.75	12,000.00	159.86	125.00
1924 Beverly Hills City Water.....	5.00	4.625	28,000.00	1,642.37	291.67
1924 Burbank School District.....	5.00	4.475	22,000.00	1,673.62	91.67
1924 Burbank School District.....	5.00	4.32	10,000.00	997.43	41.67
1924 Burbank High School District.....	5.00	4.66	77,000.00	3,531.64	320.84
1924 Burbank High School District.....	5.00	4.475	21,000.00	1,889.46	87.50
1924 Burbank High School District.....	5.00	4.32	10,000.00	929.72	41.67
1924 Compton City School District.....	5.00	4.75	12,000.00	576.38	525.00
1927 Culver City Municipal Improvement.....	5.75	4.70	180,000.00	21,159.31	2,537.50
1926 Downey Union High School District.....	5.00	4.487	54,000.00	3,495.48	675.00
1926 El Segundo High School District.....	5.00	5.52	91,000.00	5,958.28	1,895.84
1923 City of El Segundo Water Works.....	5.00	4.34	10,000.00	714.50	-----
1923 El Segundo City Water.....	5.00	5.28	24,000.00	2,541.63	-----
1927 Garvey School District.....	6.00	4.535	34,000.00	6,775.12	340.00
1924 City of Glendale Sewer.....	5.00	4.27	10,000.00	460.67	166.68
1924 Hawthorne School District.....	5.00	4.32	6,000.00	552.44	-----
1924 City of Hawthorne Water Works.....	5.50	4.62	20,000.00	1,579.93	183.34
1922 Huntington Beach Municipal.....	5.00	4.34	5,000.00	353.74	41.68
1926 Huntington Park City School District.....	5.00	4.50	226,000.00	13,619.99	2,825.01
1924 Huntington Park Union High School.....	5.00	4.375	33,000.00	3,074.58	412.50
1927 County of Imperial R. I. D. No. 9.....	6.00	5.65	50,000.00	1,797.47	-----
1925 Inglewood School District.....	5.00	4.59	35,000.00	1,734.26	145.84
1925 Jefferson School District.....	5.00	4.62	21,000.00	1,289.79	87.50
1925 Jefferson School District.....	5.00	4.54	20,000.00	988.02	83.34
1921 County of Kern Road Improvement District No. 10.....	6.00	6.00	5,000.00	-----	-----
1921 County of Kern Road Improvement District No. 12.....	6.00	6.00	5,000.00	-----	-----
1926 La Ballona School District.....	5.00	4.475	135,000.00	10,160.05	2,250.00
1920 Long Beach City School District.....	6.00	4.3375	25,000.00	3,032.15	-----
1920 Long Beach City School District.....	6.00	4.34	5,000.00	664.28	-----
1923 Los Angeles Chamber of Commerce Building Corporation.....	6.00	6.00	160,000.00	-----	-----
1924 City of Los Angeles City Hall.....	4.50	4.50	25,000.00	-----	468.75

**CITY OF LOS ANGELES
DEPARTMENT OF PENSIONS
INVESTMENTS—(Continued)
At June 30, 1928**

Descriptive	Interest Rate		Par Value	Unamortized	Accrued
	Coupon	Yield		Premium	Interest
				June 30, 1928	June 30, 1928
1923 City of Los Angeles Fire Protection.....	4.50	4.50	19,000.00	.....	213.75
1923 City of Los Angeles Harbor Improvement.....	4.75	4.625	25,000.00	518.71	296.87
1923 City of Los Angeles Harbor Improvement.....	4.75	4.47	90,000.00	3,100.07	1,068.75
1919 Harbor Improvement Bonds, City of Los Angeles.....	6.00	4.625	2,000.00	446.99	40.00
1922 City of Los Angeles Library Bonds.....	4.75	4.75	255,000.00	.....	5,046.88
1923 City of Los Angeles Sewage Disposal.....	4.50	4.50	10,000.00	.....	112.50
1923 Municipal Improvement District No. 17.....	5.00	4.583	15,000.00	308.02	312.50
1925 Municipal Improvement District No. 35 City of Los Angeles....	5.50	5.10	7,000.00	298.98	.....
1924 County of Los Angeles Flood Control District.....	5.00	4.57	109,000.00	7,244.89	.....
1925 County of Los Angeles Sanitation District No. 1.....	5.50	4.715	20,000.00	2,383.73	183.34
1925 Los Angeles County Sanitation District No. 1.....	5.50	4.74	36,000.00	3,982.96	330.00
1925 County of Los Angeles Sanitation District No. 2.....	5.50	4.715	5,000.00	595.02	45.84
1925 County of Los Angeles Sanitation District No. 2.....	5.50	4.735	60,000.00	7,622.02	550.00
1925 Los Angeles County Sanitation District No. 5.....	5.00	4.515	20,000.00	1,659.95	166.66
1925 County of Los Angeles Sanitation District No. 5.....	5.50	4.717	25,000.00	2,587.26	229.18
1925 Los Angeles County Sanitation District No. 5.....	5.50	4.765	5,000.00	564.88	45.84
1925 Los Angeles County Sanitation District No. 5.....	5.50	4.64	5,000.00	284.04	45.84
1922 Los Angeles City School District.....	4.75	4.60	40,000.00	805.18	633.34
1922 Los Angeles City School District.....	4.75	4.49	60,000.00	2,344.97	950.00
1922 Los Angeles City School District.....	4.75	4.51	30,000.00	1,228.45	475.00
1924 Los Angeles City School District.....	5.00	4.61	20,000.00	1,209.08	416.67
1924 Los Angeles City School District.....	5.00	4.32	82,000.00	6,641.20	1,708.34
1924 Los Angeles City School District.....	5.00	4.568	112,000.00	6,891.93	2,333.34
1924 Los Angeles City School District.....	5.00	4.53	51,000.00	1,683.73	1,062.50
1924 Los Angeles City School District.....	5.00	4.49	20,000.00	1,049.87	416.67
1924 Los Angeles City School District.....	5.00	4.48	50,000.00	3,276.05	1,041.67
1920 Los Angeles City School District.....	5.50	4.51	95,000.00	13,473.32	870.84
1920 Los Angeles City School District.....	5.50	4.57	10,000.00	1,198.36	91.68
1922 Los Angeles City High School District.....	4.75	4.49	15,000.00	308.88	237.51
1924 Los Angeles City High School District.....	5.00	4.61	15,000.00	890.37	312.50
1924 Los Angeles City High School District.....	5.00	4.32	8,000.00	536.80	166.67
1924 Los Angeles City High School District.....	5.00	4.565	25,000.00	1,492.49	520.84
1924 Los Angeles City High School District.....	5.00	4.48	43,000.00	3,646.60	895.84
1920 Los Angeles City High School District.....	5.50	4.51	40,000.00	4,340.22	366.68
1915 Marian School District.....	6.00	4.73	8,000.00	1,321.87	120.00

REPORT 1927-1928, LOS ANGELES

Seven

**CITY OF LOS ANGELES
DEPARTMENT OF PENSIONS
INVESTMENTS—(Continued)
At June 30, 1928**

Descriptive	Interest Rate		Par Value	Unamortized	Accrued
	Coupon	Yield		Premium	Interest
				June 30, 1928	June 30, 1928
1924 Maywood School District.....	5.50	4.75	23,000.00	1,477.04	421.68
1924 Monrovia Water.....	5.00	4.315	5,000.00	417.88	83.24
1921 City of Monrovia Water.....	5.50	4.375	6,000.00	1,013.82	82.50
1926 City of Montebello Park and Natatorium.....	5.00	4.44	49,000.00	3,471.26	510.43
1922 City of Monterey Park Water Works.....	6.00	4.625	38,000.00	8,364.17	760.00
1922 City of Monterey Park Water Works.....	6.00	4.42	10,000.00	1,493.75	200.00
1927 Otay School District.....	5.50	4.60	3,000.00	265.24	46.75
1921 Pomona City High School District.....	5.50	4.62	5,000.00	604.14	45.84
1927 Ranchito School District.....	5.50	4.4377	66,000.00	8,404.30	605.00
1924 City of Rialto Water Works.....	5.00	4.31	10,000.00	1,053.44	41.67
1901 City of San Diego Water Works.....	4.50	4.50	1,000.00	-----	-----
1905 City of San Diego 30th Street Water Main.....	4.50	4.50	4,000.00	-----	45.00
1920 City of San Fernando Water Works.....	5.50	4.63	5,000.00	79.76	114.59
1922 San Gabriel School District.....	5.50	4.85	30,000.00	1,456.14	-----
1924 City of Santa Monica Water.....	5.00	4.63	50,000.00	3,090.22	1,041.67
1925 City of Santa Monica Sewage Disposal System.....	4.75	4.59	45,000.00	1,050.00	178.13
1921 Santa Monica City School District.....	6.00	4.62	5,000.00	1,001.38	125.00
1926 South Santa Anita School District.....	5.00	4.566	83,000.00	3,779.88	-----
1923 Tujunga School District.....	5.00	4.525	10,000.00	385.55	125.01
1927 Tweedy School District.....	6.00	4.65	8,400.00	788.06	126.00
1921 Venice School District.....	6.00	4.73	14,000.00	2,388.29	210.00
1924 Venice Union High District.....	5.00	4.75	10,000.00	290.12	-----
1924 Venice Union High School District.....	5.00	4.32	15,000.00	1,694.92	-----
1925 City of Vernon Fire Alarm.....	4.50	4.50	6,000.00	-----	95.64
1925 City of Vernon Fire Alarm.....	4.75	4.75	7,875.00	-----	124.69
1922 Watts City School District.....	5.00	4.40	28,500.00	1,088.33	831.25
1928 Vermont Avenue Series No. 24.....	7.00	7.00	96,309.40	-----	3,418.14
1928 Vermont Avenue Series No. 25.....	7.00	7.00	310,477.47	-----	12,315.23
1928 Gower Street Series No. 7.....	7.00	7.00	84,950.40	-----	4,195.48
1928 Myra Avenue Series No. 3.....	7.00	7.00	150,141.13	-----	3,327.57
1928 Fourth Street Series No. 25.....	7.00	7.00	103,545.23	-----	1,570.27
1928 Avenue 60 Series No. 3.....	7.00	7.00	234,289.49	-----	3,643.35
Total.....			<u>\$4,431,488.12</u>	<u>\$224,901.56</u>	<u>\$70,701.11</u>

Eight

BOARD OF PENSION COMMISSIONERS

Charter Provisions Governing Pension Systems

ARTICLE XVII

Department of Pensions

Sec. 180. The Board of Pension Commissioners shall administer the fire and police pension system of the City, and have exclusive control of the administration and investment of the fire and police pension fund which may be established as hereinafter provided; provided, however, that any money in such fund shall be kept on deposit in the City Treasury or be invested in bonds and securities authorized by law as legal investment for saving banks, or in local improvement bonds issued upon any assessment levied against property in the City of Los Angeles, or in bonds of local districts of the City of Los Angeles, such bonds or other securities purchased as aforesaid to be placed in the custody of the Treasurer, who is hereby directed to act as a depository for such bonds or securities. All interest and earnings from such investments shall accrue and be deposited to the credit of the fire and police pension fund.

Sec. 181. Any member of the Fire or Police Department who shall have served in such Department for thirty-five years in the aggregate in any capacity or rank whatever, on his request, or by order of the board, if it be deemed for the good of the department, shall be retired from further service in such department, and such member shall thereafter, during his lifetime, be paid in equal monthly installments from said fund a pension equal to two-thirds ($\frac{2}{3}$) of the average monthly rate of salary which such member shall have received in such department during the three years immediately preceding the date of his retirement. Provided, that after twenty-five years' aggregate service, on request of such member, or by the board for the good of the department, such member shall be retired and paid in equal monthly installments from said fund a limited pension as follows: For twenty-five years' aggregate service fifty per cent (50%) of the average monthly rate of salary which such member shall have received during the three years immediately preceding the date of his retirement; and an additional one and two-thirds per cent ($1\frac{2}{3}\%$) of such average rate of salary for each year over twenty-five years and less than thirty-five years in the aggregate served by such member before retirement. Provided, further, however, that any such member of the Fire or Police Department who shall have become a member of such department prior to the taking effect of this amendment who shall have served in such department for thirty years in the aggregate in any capacity or rank whatever, shall on his request, or by order of the board, if it be deemed for the good of the department, be retired from further service in such department, and he shall thereafter, during his lifetime, be paid in equal monthly installments from said fund a pension equal to two-thirds ($\frac{2}{3}$) of the average monthly rate of salary which such member shall have received in such department during the three years immediately preceding the date of his retirement. Provided, that after twenty years' aggregate service, on request of such member who shall have become a member of such department prior to the taking effect of this amendment, or by the board

for the good of the department, such members shall be retired and paid in equal monthly installments from said fund a limited pension as follows: For twenty years' aggregate service fifty per cent (50%) of the average monthly rate of salary which such member shall have received during the three years immediately preceding the date of his retirement; and an additional one and two-thirds per cent (1 2/3%) of such average rate of salary for each year over twenty years and less than thirty years in the aggregate served by such member before retirement.

The provisions of this section are subject to the further conditions set forth in Section 181 1/2 of this charter.

Sec. 181 1/2. No member of said department entering said departments after this amendment becomes effective shall receive a pension from said Fire and Police Pension Fund, pursuant to the provisions of Section 181 of this Article, in an amount greater than eighteen hundred dollars (\$1800.00) annually; provided, however, that an additional one and two-thirds per cent (1 2/3%) of the average monthly rate of salary which such member shall have received in such department during the three years immediately preceding the date of his retirement shall be paid to any such member so retired who shall have entered such department subsequent to the taking effect of this amendment for each year over twenty-five (25) years and less than thirty-five (35) years in the aggregate served by such member before retirement.

Sec. 182. Whenever any member of the Fire or Police Department shall become so physically or mentally disabled by reason of bodily injuries received in, or by reason of sickness caused by, the discharge of the duties of such person in such department as to render necessary his retirement from active service, the board shall order and direct that such member be retired from further service in such department; and thereafter such member so retired shall, during his lifetime, be paid from said pension fund a pension in an amount to be determined by the said board, but which pension shall be equal to not less than ten per cent (10%), nor more than ninety per cent (90%), of the salary attached to the rank or position held by him in such department at the date of such retirement order. Such pension shall be paid in equal monthly installments. Provided, however, that any pension granted to any member of the Fire or Police Department for disability or sickness, as provided for in this section, shall cease when the disability or sickness ceases and such member shall, subject to civil service and other provisions of this charter governing the appointment of city employees, have been restored to active duty in such department of which such person was a member at the time of retirement to the same rank or position which such person held at said time. Provided, further, that the Board of Pension Commissioners shall have the power to hear and determine all matters pertaining to the granting and termination of any pension award as provided for in this section. Said board shall make its findings in writing, based upon the report of at least three regularly licensed, practicing physicians, and such other evidence concerning such disability as it may have before it. Said board shall determine the degree of disability and such determination shall govern the amount of pension to be awarded to such disabled member as hereinabove provided; and provided, further, that upon the written request of any such retired member, or upon its own motion, said board shall have the power, at any time prior to the restoration of such retired member to active

service, to consider new evidence pertaining to the case of any such retired member, and to increase or decrease the amount of such pension award to be thereafter paid.

Sec. 182½. If at any time any member of the Fire or of the Police Department or the widow, child or children, or dependent parent or parents of any such member, or any other person hereafter entitled under the provisions of this Article to pension benefits, shall be granted, because of the sickness, injury or death of such member, any compensation or award, under any general law providing for compensation or indemnity in case of the sickness, injury or death arising out of the performance of duty of such member, then and in that event any payments made pursuant to the provisions of this Article to such member or to such widow, child or children, dependent parent or parents or other person, shall be construed to be and shall be payments of such compensation or award under such general law, and any payments made under the provisions of this Article shall be first applied to payment of such compensation or award and any balance of such payments made pursuant to the provisions of this Article shall be deemed to be pension payments; and it is hereby provided that the pension provided for in this Article for such member or such widow, child or children, dependent parent or parents, or such other person in case of any such award under such general law, shall be reduced in amount to the difference between the amount of pension provided for in this Article, and the total amount of such compensation or award granted and paid under such general law until the total amount awarded under such general law shall have been fully paid.

After payment of the total amount of such compensation or award granted under such general law the payments herein provided for shall continue as pension benefits subject to the provisions of this Article.

Sec. 183. Whenever any member of the Fire or Police Department shall die as a result of any injury received during the performance of his duty, or from sickness caused by the discharge of such duty, or after retirement, or while eligible to retirement from such department on account of years of service, then an annual pension shall be paid in equal monthly installments to his widow, or child or children, or dependent parent or parents, in an amount equal to one-half ($\frac{1}{2}$) of the average monthly rate of salary which such deceased member shall have received in such department during the three years immediately preceding the time of his death or the date of his retirement from active duty in such department. Said pension shall be paid to the widow during her lifetime or until she remarries, and thereafter a pension shall be paid in equal monthly installments, in an amount equal to one-half ($\frac{1}{2}$) of the average monthly rate of salary which such deceased member shall have received in such department during the three years immediately preceding the time of his death or the date of his retirement from active duty in such department to the legally appointed guardian of the child or children of such deceased member until such child or children shall have attained the age of eighteen years, or to his child or children should there be no widow until such child or children shall have attained the age of eighteen years, or to his dependent parent or parents during their lifetime or during such dependence, should there be no widow or child. Provided, however, that during the lifetime of such widow or until she shall remarry, an additional amount shall be

paid to such widow for each child during the lifetime of such child, or until such child shall have married or reached the age of eighteen years, as follows: For one child twenty-five per cent (25%) of the pension allowed as hereinabove set forth; for two children forty per cent (40%) of such pension; and for three or more children fifty per cent (50%) of such pension. Provided, further, however, that no widow of a pensioner shall be entitled to a pension unless she shall have been married to such deceased pensioner at least one year prior to the date of his retirement; and provided, further, that no widow of a member of the Fire or Police Department eligible for retirement from such department, who dies from causes other than those arising out of or from the performance of his duties, shall be entitled to a pension unless she shall have been married to such deceased member for at least one year prior to the date of his death, and provided, further, that if such widow, child or children shall marry, then the pension paid to the person so marrying shall cease, and provided, further, that should the dependency of such parent or parents terminate, then the pension paid to such dependent parent or parents shall cease.

Sec. 184. That all pensions granted in accordance with the provisions of Sections 181, 182 and 183 hereof shall remain in full force and effect for the period granted, and any increase or decrease of salaries of active members of the Fire and Police Departments shall not in any wise affect the amount of the pensions to be paid to retired members of such departments, or to any other person pensioned pursuant to the provisions of this Article, nor shall the amount of such pensions be changed for any other reason, except as otherwise specifically provided in this Article.

Sec. 185. For the purpose of the provisions contained herein, the Fire Department shall consist of all persons duly and regularly appointed in the Fire Department under civil service rules and regulations whose duty it is to prevent or extinguish fires in the City of Los Angeles, under whatever designation they may be described in any salary or departmental ordinance providing compensation for said Fire Department; and the Police Department shall consist of all members of such Police Department appointed under civil service rules and regulations and sworn in, as provided by law, to perform the duties of a regular police officer of the City of Los Angeles, under whatever designation that they may be described in any salary or departmental ordinance providing compensation for the members of said Police Department. The provisions as herein in this charter contained shall apply to all members of the Fire and Police Departments as in this section defined, and to all members of said departments who have been heretofore granted pensions.

Sec. 186. For the purpose of providing and maintaining a fund to meet the payments of demands drawn for the payment of pensions and the expense of said Department of Pensions, as hereinbefore provided, a fund is hereby created to be known as the "Fire and Police Pension Fund."

The Board of Police Commissioners shall employ an actuary, who shall render a report of the cost of maintaining upon a reserve basis the pension system as hereinabove provided, and shall at least once in every five years after the establishment of the pension system, as hereinabove provided, cause said fund to be revalued, and secure an actuarial report

thereon. The term "reserve basis," as herein used, is defined to be a system which provides for the accumulation and maintenance of a fund which will at all times be equal to the difference between the present value of the obligations assumed and the present value of the money to be received for paying such obligations, where such present values are estimated in accordance with accepted actuarial methods and on the basis of an assumed rate of interest and the mathematical probabilities of the occurrence of such contingencies as affect both the payment of the assumed obligations and the receipt of money with which they are to be paid.

The Board of Pension Commissioners shall annually prepare a budget of the cost of maintaining the Fire and Police Pension Fund as hereinabove described, including therein the separate items:

(1) A sum equal to that percentage of the salaries of all employees affected by the system shown by the last report of the actuary hereinabove mentioned as the percentage required for employees with no past service.

(2) A sum sufficient to liquidate over a reasonable period of years the deficit shown by the last report of the actuary hereinabove mentioned.

(3) The amount of any deficit which may remain in said fund in the event the appropriation of any previous year proved insufficient to pay the demands drawn against said fund, and the City Council shall appropriate the amount of such budget to the Fire and Police Pension Fund. For the purpose of providing funds for said budget appropriation, said Council shall levy annually a tax sufficient to provide the amount of the cost of maintaining said fund as shown by said budget.

There shall be paid into said fund the following moneys, to-wit:

(a) The amount appropriated by the City Council, as hereinbefore provided;

(b) All interest and earnings from the investment of said funds;

(c) All contributions and donations to the Fire and Police Departments for services by any member or members thereof, except amounts of money donated to provide for any medal or permanent competitive award;

(d) All fines imposed upon members of the Fire and Police Departments for violations of rules and regulations of said departments;

(e) All proceeds from the sale of unclaimed property; and

(f) All deductions from the salaries of the members of the Fire and Police Departments as provided for in section 186 $\frac{1}{2}$ hereof.

Sec. 186 $\frac{1}{2}$. Each member of the Fire and of the Police Department included within the pension provisions of this Article shall contribute to said Fire and Police Pension Fund in the manner as hereinafter in this section provided.

The administrative head of each such department shall cause to be shown on each and every pay roll of said department a deduction of four per cent (4%) of the amount of salary, as shown on each such pay roll, of each such member whose name appears thereon, and shall certify to the Controller on each such pay roll the amount to be deducted from the compensation of each such member whose name appears thereon, and shall cause to be drawn a pay roll check in favor of

the Board of Pension Commissioners for the total amount of deduction shown on each pay roll of such department, and said board shall deposit said pay roll check to the credit of the Fire and Police Pension Fund. It shall be the duty of the administrative head of each department to cause to be furnished a copy of each and every such pay roll hereinbefore mentioned to the said Board of Pension Commissioners.

Each member shall be deemed to consent and agree to each deduction made as provided for herein, and the payment of each pay roll check to such member shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such member during the period covered by such pay roll, except such claims as such member may have to the benefits provided for in this article.

Sec. 187. The Board of Pension Commissioners shall, within six (6) months after this charter takes effect, prepare a pension plan for all city employees not under the police and fire pension system. Such plan shall be submitted to the Council in the form of an ordinance approved as to form by the City Attorney. The Council shall submit said ordinance, without alteration, to the voters of the city for their approval or rejection at the next general or special election thereafter. If adopted by the voters, said ordinance shall not be amended or repealed except by a vote of the people. Such pension plan may be retroactive from the date of the adoption of this charter.

Sec. 188. The positions of general manager of the department and of secretary to the board may be consolidated, in the discretion of the board.

Sec. 189. In computing the time of service for retirement the amount of time served in the United States Army, Navy, Marine Corps, or any division thereof, in time of war, by any member of the Fire or Police Department, who shall have left such department to enter the United States Army, Navy, Marine Corps, or any division thereof, and who shall have returned to such department within a period of one year after having been honorably discharged from such service, shall be counted as a part of the aggregate service required for a retirement pension.