

**ANNUAL REPORT**  
**OF THE**  
**BOARD of PENSION COMMISSIONERS**

**CITY OF LOS ANGELES**  
**CALIFORNIA**



**FOR THE FISCAL YEAR ENDED JUNE 30, 1940**  
**with**  
**CHARTER AND ORDINANCE PROVISIONS**  
**GOVERNING PENSION SYSTEM**

ANNUAL REPORT  
OF THE  
*Board of Pension Commissioners*  
OF THE  
CITY OF LOS ANGELES  
CALIFORNIA



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with  
CHARTER AND ORDINANCE PROVISIONS  
GOVERNING PENSION SYSTEM



September 15, 1940

To the Honorable Mayor  
and Council of the  
City of Los Angeles.

Gentlemen:

In accordance with the provisions of Section 64, Article 4 of the Charter of the City of Los Angeles, the Board of Pension Commissioners respectfully submits herewith its annual report for the fiscal year ended June 30, 1940.

Respectfully submitted,

BOARD OF PENSION COMMISSIONERS.

John W. Donner,

Secretary.

Personnel of the  
BOARD OF PENSION COMMISSIONERS

DR. STEWART P. MacLENNAN, President  
(Term expires July 1, 1941)

A. GAYLORD BEAMAN  
(Term expires July 1, 1942)

WAYNE H. FISHER  
(Term expires July 1, 1944)

EDWIN O. PALMER, M.D.  
(Term expires July 1, 1940)

PHILIP STEPHENS, M.D.  
(Term expires July 1, 1943)

# BOARD OF PENSION COMMISSIONERS

## ANNUAL REPORT

Board of Pension Commissioners  
of the City of Los Angeles.

Honorable Members:

The Annual Report of the Pension Department for the fiscal year 1939-40 is submitted herewith. Included therein are financial and operating statements of the Fire and Police Pension Fund for the fiscal year ended June 30, 1940, compared with corresponding figures for the fiscal year ended June 30, 1939. Certain brief comments are also given which are considered pertinent to a clear understanding of such items.

During the fiscal year ended June 30, 1940, 166 petitions for pensions were received, of which number 144 were granted, eight pending, eight denied, five withdrawn, and one filed. During the same period thirty-five pensions were discontinued. Adding the net increase of 109 to the 1,022 existing at the close of the last fiscal year, gives a total of 1,131 beneficiaries of the Fire and Police Pension Fund. These are segregated into various classes and comparative data for the fiscal year ended June 30, 1939, are set forth below:

	1938-39			1939-40		
	Fire	Police	Fire and Police	Fire	Police	Fire and Police
Service .....	305	257	562	368	275	643
Disability .....	74	90	164	70	99	169
Widows .....	88	180	268	96	192	288
Minor Children .....	7	13	20	9	13	22
Dependent Parents .....	2	6	8	3	6	9
<b>TOTAL</b> .....	<b>476</b>	<b>546</b>	<b>1,022</b>	<b>546</b>	<b>585</b>	<b>1,131</b>

These changes in pension classifications are substantially analyzed as follows:

	Fire	Police	Total
<b>Service</b>			
Granted .....	70	27	97
Deaths .....	7	9	16
Withdrawn .....	1*	1*	2*
	<u>63</u>	<u>18</u>	<u>81</u>

	Fire	Police	Total
<b>Disability</b>			
Granted .....	1	14	15
Withdrawn .....	1*	2*	3*
Denied .....	.....	1*	1*
Deaths .....	4	4	8
Restored .....	1	1	2
Increased .....	1*	1*	2*
Decreased .....	1*	3*	4*
Filed .....	1*	.....	1*
	<u>4</u>	<u>9</u>	<u>5</u>
<b>Widows</b>			
Granted .....	11	17	28
Deaths .....	2	3	5
Remarried .....	1	2	3
Denied .....	1*	5*	6*
	<u>8</u>	<u>12</u>	<u>20</u>
<b>Minors</b>			
Granted .....	2	.....	2
	<u>2</u>	<u>.....</u>	<u>2</u>
<b>Dependents</b>			
Granted .....	2	.....	2
Deaths .....	1	.....	1
	<u>1</u>	<u>.....</u>	<u>1</u>
	<u>70</u>	<u>39</u>	<u>109</u>

\* These figures are statistical and are not included in totals which indicate net increases in active pensions.

As of June 30, 1940, there were 222 members of the Fire Department and 137 members of the Police Department eligible for retirement.

Financial and operating statements for the fiscal year ended June 30, 1940, are submitted herewith, along with comparative figures for the fiscal year ended June 30, 1939.

#### ASSETS AND LIABILITIES

Cash . . . . . \$ 1,174,230

The unusually large amount of cash on hand at the end of the year is explained by the various questions that were raised in connection with the legal basis of the budget of the department and the further fact that, in anticipation of such procedural changes, the proceeds of certain sales and maturities of bonds had not been re-invested.

Street Bonds—Unmatured. . . . . \$ 1,025,087

The accounts for street improvement bonds have been segregated between matured and unmaturred principal coupons. This procedure assists materially in arriving at a quick evaluation of such items. It is believed that principal coupons unmaturred are in good financial condition and that no further losses or depreciation of interest earning values will be sustained.

**Street Bonds—Matured . . . . . \$ 126,745**

This segregation was carried as delinquent street bonds in prior statements. In prior years certain street improvement bonds issued in connection with the improvement of Avenue 60 were considered as having no substantial value and consequently were charged off in the approximate amount of \$9,552. Subsequent to which, principal in the amount of \$904 was redeemed and these same bonds have been, for the purposes of this report, replaced in the accounts with an evaluation reserve created in the full amount of such claims. The amount of \$118,097 represents the total of principal amounts delinquent, and not the face value of bonds upon which there were delinquencies. It is further noted that an analysis of these matured principal coupons indicates that approximately 80% of these payments are under the protection of the moratorium and consequently the valuation of such apparent delinquencies must be considered relatively high.

**Bond Investments . . . . . \$11,989,675**

This segregation represents both general obligation and district bonds. A recent appraisal of these securities based upon actual sales indicated a market value of some \$800,000 over and above the values as reflected on the books. It is noted that the proceeds of maturities and certain sales of these securities produce a substantial margin of profit over original cost and at the same time the proceeds are reinvested at a yield rate materially lower than that for which the original bonds were purchased. The excess of cash on hand represents buying power for securities which is withheld from application.

**Certificates of Sale . . . . . \$ 147,366**

This segregation represents the amount of street bond foreclosures upon which treasurer's deeds have not been taken. Forty-one foreclosures in the total amount of \$46,125 have been made in the course of the fiscal year. Redemption of three certificates of sale during the past year totaled \$3,293. Two sheriff's certificates of sale were transferred to real property, unimproved, in the amount of \$835.

**Treasurer's Deeds . . . . . \$ 579,997**

The amount of certificates of sale which have been converted into treasurer's deeds and upon which quiet title actions have not been completed amounted to \$579,997. There were no transfers from certificates of sale during the fiscal period and no redemptions of treasurer's deeds. Twenty-seven treasurer's deeds were transferred to real property in the amount of \$22,458.

**Mortgages . . . . . \$ 840**

This item represents a second mortgage upon a property which was received in connection with an exchange of street improvement bonds for Home Owners Loan Corporation bonds during the fiscal year 1934-1935. It is noted that interest payments upon this mortgage are being paid currently.

**Trust Deeds Receivable . . . . . \$ 15,875**

This account represents the unpaid balance upon properties which have been sold by the department under trust deeds. All such items were cleared through escrow and bear interest at the rate of 7% per annum. It is believed that such investments have an excellent valuation.



**Agreements Receivable . . . . . \$ 64,434**

This segregation represents the principal amount involved in agreements made with the owners of properties for the redemption of either certificates of sale, treasurer's deeds or real property. These agreements are now made only with the original owners of the properties concerned, and such agreements bear a rate of interest of 7% per annum. These accounts are considered as being in excellent condition and of unquestioned value.

**Real Property—Improved . . . . . \$ 402,155**

This account represents the amount of treasurer's deeds together with other costs in connection with the properties upon which title has been quieted that remained unsold on the books of the department at the end of the fiscal period. It is noted that the sum of \$2,156 was expended upon rehabilitation of these improved properties during the course of the year and that the sum of \$14,893 was received from such properties in the form of rent. It is further noted that only one vacancy of some two weeks' duration existed at the close of the fiscal year and that the total rent delinquency was less than \$250. This segregation includes fifty-three parcels of property.

**Real Property—Unimproved . . . . . \$ 585,923**

This account consisted of 173 pieces of property with a total book value of \$585,923. During the fiscal year \$6,020 was received from such properties in the form of rent.

Property sales during the fiscal year totaled \$39,471 for eleven pieces of property, which amount was \$5,225 less than the book value. This loss was partly sustained due to the fact that it was necessary to pay other liens and street lighting assessments in order to deliver a clear title with each sale. During the fiscal year \$9,698 was expended to purchase or clear other liens against properties owned by this Fund. It is noted that these costs are capitalized and the amounts thereof included in the accounts representing the cost of the particular property.

**Bond Premiums and Discount . . . . . \$ 878,982**

Premiums have been paid on practically all bonds which have been purchased, with the exception of street improvement bonds. This premium and discount is being prorated over the life of the issues affected with the effect of reducing the earnings on investments to the amount which the bonds were purchased to yield.

The unamortized premiums and discounts in the net sum of \$878,982 at June 30, 1940, represents the balance at that date which is to be charged off over the life of the bonds now held.

**Accrued Interest . . . . . \$ 258,021**

This account has been segregated in the accounts between current and delinquent interest. Current interest amounted to the sum of \$162,697 for bond investments and \$71,748 for street improvement bonds. Delinquent interest amounted to the sum of \$3,508 for bond investments and \$20,068 for street improvement bonds.

The basis of accounting for and the reconciliation of delinquent interest accounts with the accounts of the prior year are presented in Schedule No. 4. Bond interest accrued, not collected, is shown in this schedule as an addition to bond interest delinquent in the total amount of \$36,992, which is the accrual balance of July 1, 1939.

Collections, bond interest delinquent in the amount of \$8,123, and bond interest delinquent foreclosed in the amount of \$5,292, represent in the first instance the collections of delinquent interest accrued in prior years; the second, the amount of delinquent interest on street improvement bonds that were foreclosed during the fiscal year 1939-40.

**Quiet Title Costs—Prepaid** . . . . . \$ **5,572**

This account represents the actual filing fees and regular costs of quiet title actions on properties in which judgments have not been entered.

**TOTAL ASSETS** . . . . . \$17,246,254

**LIABILITIES**

**Accounts Payable** . . . . . \$ **1,197**

Outstanding orders for which services or materials had not been rendered or for which payment had not been made are carried in this account.

**Reserves** . . . . . \$ **23,576**  
**320,017**

Upon the foreclosure of a street improvement bond and the recording of certificates of sale, segregation is made as follows:

- (1) Unpaid principal in the bond foreclosed.
- (2) Matured and unpaid interest from the last date of principal payment.
- (3) Foreclosure costs.

A reserve for the total amount of item two is then recorded and this amount is carried to treasurer's deeds and real property as transfer between the various classes of investments is made. At June 30, 1940, the reserve for certificates of sale amounted to \$31,879, treasurer's deeds \$117,862, and real property \$170,276. These items totaled \$320,017, as is shown in the balance sheet, "Reserve for Interest, Other Investments."

Reserve for delinquent bond interest in the amount of \$23,576 is shown in the balance sheet. This amount represents interest delinquent at June 30, 1940, and is segregated so as not to reflect in the earnings of any fiscal year other than the fiscal years in which these interest amounts were accrued.

**Accumulated Balance** . . . . . \$ **16,693,941**

The surplus account is broken down into balances of the Fire Department and the Police Department as a continuance of the original actuarial reserve method of accounting.

Actual amounts of revenues and expenditures as set forth in the statement of operations is distributed, with the exception of the interest earned, rental of property and bonus accounts shown in the revenues, to fire pensions and police pensions on the basis of percentages of prior years' surplus balances.

**Prepaid Payments** . . . . . \$ **1,186**

This is a suspense account for cash payments received to apply on installment payments of principal and interest on street improvement bonds. This account was created for the purpose of holding these payments until such time as the property owner arranged to make pay-

Ten

ments by the installment method of principal and interest due or which would accrue in the near future.

**Partial Payments . . . . . \$ 3,054**

During the fiscal year 1932-1933 the Board of Pension Commissioners established the policy of accepting partial payments on installments of either principal or interest or both on street improvement bonds and other classes of investments that have been acquired through street bond foreclosures. At that time the City Treasurer was required by law to accept only payments in the full amount, and the Board believed that delinquencies would be greatly reduced if the property owners were allowed to pay past-due amounts by the installment method. This account represents the amounts paid that have not been cleared against the actual asset to be affected.

**Bond Profits (Suspense) . . . . . \$ 32,566**

This account represents the profits derived from the sale of bonds during the fiscal year 1939-40 and is being carried over to the future fiscal years to defray the losses anticipated in the disposal of other investments.

**Taxes—1940-1941 . . . . . \$ 75,495**

This sum was received during the course of the fiscal year as an apportionment from unsecured personal property taxes for the benefit of and as revenue for the succeeding fiscal year. It is carried as deferred income in order to exclude it from the income structure of the period under review.

**Balance Carried Forward 1939-1940 . . . . . \$ 95,222**

This balance amounting to \$95,222 added to accounts payable in the amount of \$1,197 totals \$96,419, which is the net operating surplus for the fiscal year 1939-1940 as shown in the operating statement, will be applied toward the reduction of revenue requirements for the fiscal year 1940-41 and will reduce the amount of revenues required from taxes.

This procedure was followed upon the advice of the City Attorney and is a departure from past practice and serves in effect as a reduction of tax liens imposed upon properties within the City and a reciprocal reduction of surplus within the Fire and Police Pension Fund.

**TOTAL LIABILITIES . . . . . \$17,246,254**

**INVESTMENTS**

Analysis of bonds classified other than street improvement bonds is shown in schedule No. 7.

The Charter provides that surplus monies in the Fire and Police Pension Fund be invested in bonds and securities authorized by law as legal investments for savings banks, or in local improvement bonds issued upon any assessments levied against property in the City of Los Angeles, or in bonds of local districts in the City of Los Angeles.

The Board of Pension Commissioners entered into a contract with Lionel D. Edie and Company whereby the latter would act as investment counsellors beginning July 1, 1939. The Board is now guided by the advice of said investment counsellors as to the class of investments to be made, the disposal of short maturity bonds, and conversions of securities of one geographical section to that of another, in order to more effectively balance the portfolio.

Due to the maturity of street improvement bonds bearing 7% interest and the fact that the yield of present bond purchases will average a maximum of 3%, the average yield of 3.98% as shown for the fiscal year 1939-1940 will gradually decrease to 3% or slightly less in the next few years.

#### ACCOUNTING

Accounts were further re-classified during the year with the objective of making readily accessible the various types of information required for administrative direction. Particular attention has been given to the losses upon investments in street improvement bonds that have accrued but which have not been realized through actual sale. These accrued losses are offset by the excess earnings of a 7% yield basis and it has been decided that in future periods a conservative withholding of such earnings from the revenue account should be made in order to partially provide for the absorption of such accrued losses. Consideration also has been given to the profits being realized through the sale of general obligation bonds with the result that, based upon opinions of the city attorney, it has been decided that such profits should be used to reduce the losses that have actually accrued upon other investments.

#### OPERATIONS

The operations for the fiscal year ended June 30, 1940, resulted in a net cash surplus of \$96,419, which is applied toward the reduction of tax requirements for the succeeding year. Stated in condensed form, operations appear as follows:

	Total	Fire Pension	Police Pension
Balance, Prior Year .....	\$ 749,967	\$ 245,992	\$ 503,975
Revenue .....	1,079,997	471,994	608,053
Total Available.....	\$1,829,964	\$ 717,936	\$1,112,028
Expenditures and Adjustments .....	\$1,733,545	\$ 820,135	\$ 913,410
Cash Surplus.....	\$ 96,419	\$ 102,199*	\$ 198,618

\* Debit.

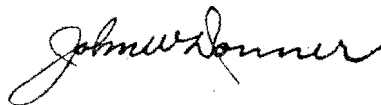
The rate of earnings on investments of the Fire and Police Pension Fund for the past fiscal year averaged 3.98%.

#### ORGANIZATION

The Department of Pensions is governed by the provisions of Article XVII of the Charter of the City of Los Angeles. The Board of Pension Commissioners is an administrative body consisting of five members and having broad judicial powers in pension matters. The manager is the executive officer and serves also in the capacity of secretary to the Board. The personnel consists of the manager and eight persons classified as one accountant, one general clerk, one senior stenographer, two junior stenographers, two legal stenographers, and one deputy city attorney.

The membership of the Board and their term of office is presented at the beginning of this report.

Respectfully submitted,



Manager-Secretary.

**CITY OF LOS ANGELES  
DEPARTMENT OF PENSIONS  
FIRE AND POLICE PENSION FUND  
BALANCE SHEET  
At June 30, 1940 as compared with June 30, 1939**

Twelve

	June 30, 1940	June 30, 1939
<b>ASSETS</b>		
Cash		
Deposits with Treasurer.....	\$ 1,174,180	\$ 831,517
Petty Cash.....	50	50
Total Cash.....	\$ 1,174,230	\$ 831,567
Investments		
Street Bonds—Unmatured.....	\$ 1,025,087	\$ 1,225,137
Street Bonds—Matured.....	\$126,745	
Less:		
Reserve, bonds matured.....	8,648	125,263
Bond Investments.....	11,989,675	12,519,850
Certificates of Sale.....	147,366	105,369
Treasurer's Deeds.....	579,997	602,454
Mortgages.....	840	840
Trust Deeds Receivable.....	15,875	11,938
Agreements Receivable.....	64,434	65,873
Real Property, Improved.....	402,155	398,169
Real Property, Unimproved.....	585,923	594,141
Bond Premiums and Discount.....	14,929,449	15,649,034
TOTAL INVESTMENTS.....	878,982	1,019,515
Accrued Interest		
Current.....	\$ 234,445	\$ 260,376
Delinquent.....	23,576	22,390
Quiet Title Costs, Prepaid.....	258,021	282,766
TOTAL ASSETS.....	\$17,246,254	\$17,788,386

**LIABILITIES**

Accounts Payable .....		\$1,197		
Reserve, Bond Interest.....	\$ 23,576		\$ 22,390	
Reserve for Interest—Other Investments.....	320,017		317,479	
Accumulated Balance, Fire Pension.....	\$7,390,712		\$7,390,712	
Accumulated Balance, Police Pension.....	9,303,229	16,693,941	9,303,229	16,693,941
		<u>16,693,941</u>		<u>16,693,941</u>
		\$17,037,534		\$17,033,810
 Deferred Income				
Prepaid Payments, Street Bonds.....		1,186		937
Partial Payments.....		3,054		3,672
Bond Profits (Suspense).....		32,566		
Taxes, 1940-41.....		75,495		
Balance Carried Forward 1939-40.....		95,222		749,967
		<u>116,463</u>		<u>749,967</u>
<b>TOTAL LIABILITIES.....</b>		<u>\$17,246,254</u>		<u>\$17,788,386</u>

**CITY OF LOS ANGELES  
DEPARTMENT OF PENSIONS  
FIRE AND POLICE PENSION FUND  
OPERATING STATEMENT  
For the periods shown below**

Fourteen

	For the Fiscal Year Ended June 30, 1940			For the Fiscal Year Ended June 30, 1939		
	Total	Fire Pensions	Police Pensions	Total	Fire Pensions	Police Pensions
Balance Prior Year.....	\$ 749,967	\$245,992	\$ 503,975			
<b>REVENUE</b>						
Taxes .....	63,801	28,576	35,225	\$1,232,676	\$504,878	\$ 727,798
Interest .....	594,734	266,377	328,357	648,729	294,056	354,673
Rental of Property.....	20,913	9,367	11,546	18,512	8,391	10,121
Members' Contributions.....	392,498	166,218	226,280	406,188	172,372	233,816
Sale of Unclaimed Property.....	5,765		5,765	5,374		5,374
Donations .....	692	692		595	595	
Bonus (Bonds Redeemed).....	1,267	567	700	2,084	945	1,139
Insurance Loss Claims.....				225	102	123
Miscellaneous .....	327	147	180	30	14	16
<b>TOTAL REVENUE.....</b>	<b>\$1,079,997</b>	<b>\$471,944</b>	<b>\$ 608,053</b>	<b>\$2,314,413</b>	<b>\$981,353</b>	<b>\$1,333,060</b>
Total Available Resources.....	\$1,829,964	\$717,936	\$1,112,028	\$2,314,413	\$981,353	\$1,333,060

**EXPENDITURES**

Pensions Paid:						
Service .....	\$ 946,322	\$522,019	\$424,303	\$ 818,557	\$442,666	\$375,891
Disability .....	315,378	134,547	180,831	308,680	137,927	170,753
Widows .....	356,046	116,283	239,763	329,837	113,449	216,388
Minors .....	49,038	18,826	30,212	45,324	17,569	27,755
Dependents .....	9,607	2,861	6,746	14,532	2,212	12,320
<b>TOTAL PENSIONS.....</b>	<b>\$1,676,391</b>	<b>\$794,536</b>	<b>\$881,855</b>	<b>\$1,516,930</b>	<b>\$713,823</b>	<b>\$803,107</b>
Total Administrative Expense (Schedule 1).....	40,905	18,321	22,584	39,334	17,829	21,505
<b>TOTAL DISBURSEMENTS.....</b>	<b>\$1,717,296</b>	<b>\$812,857</b>	<b>\$904,439</b>	<b>\$1,556,264</b>	<b>\$731,652</b>	<b>\$824,612</b>
Surplus .....	112,668	94,921*	207,589	758,149	249,701	508,448
Operating Adjustments..... (Schedule 2).....	16,249	7,278	8,971	8,182	3,709	4,473
<b>NET OPERATING SURPLUS.....</b>	<b>\$ 96,419</b>	<b>\$102,199*</b>	<b>\$198,618</b>	<b>\$ 749,967</b>	<b>\$245,992</b>	<b>\$503,975</b>

\* Debit



## ADMINISTRATIVE EXPENSE

## Schedule 1

	Budget	Additional Appropriations	Total Disbursements	Outstanding Liabilities June 30, 1940	Total Expenditures	Encumbered Balance
Salaries .....	\$29,340	\$ .....	\$25,972	\$ .....	\$25,972	\$3,368
Office Expense.....	600	.....	499	.....	499	101
Printing .....	540	.....	392	.....	392	148
Postage .....	200	.....	163	.....	163	37
Surety and Insurance Premiums.....	1,480	.....	939	.....	939	541
Medical Examinations.....	4,200	1,286	5,457	.....	5,457	29
Mileage and Carfare.....	50	.....	1	.....	1	49
Telephone Service.....	270	.....	257	.....	257	13
Gas, Oil, Service.....	280	.....	194	.....	194	86
Miscellaneous .....	100	470	480	.....	480	90
Litigation Cost.....	700	.....	376	.....	376	324
Property Maintenance.....	7,000	.....	2,156	1,197	3,353	3,647
Investment Expense.....	3,600	.....	3,000	.....	3,000	600
Equipment, Furniture and Fixtures.....	1,540	25	1,019	.....	1,019	546
<b>TOTAL EXPENSE.....</b>	<b>\$49,900</b>	<b>\$1,781</b>	<b>\$40,905</b>	<b>\$1,197</b>	<b>\$42,102</b>	<b>\$9,579</b>

## OPERATION ADJUSTMENTS

### Schedule 2

#### DEDUCTIONS:

Loss, Sale of Real Property.....	\$ 8,086.47	
Loss, G. O. Bond Principal, Account Refunding.....	4,200.00	
Loss, G. O. Bond Premiums, Bonds sold.....	1,402.63	
Loss, G. O. Bond Premiums, Account Refunding.....	113.53	
Street Imp. Bond Interest, Foreclosed (Coupons due July 1, 1939).....	1,866.33	
Street Imp. Bond Interest, Uncollected (Coupons due July 1, 1939).....	11,196.38	
Return of 4% Contributions.....	1,219.35	\$28,084.69

#### ADDITIONS:

Street Bond Principal paid that had been cancelled.....	\$ 298.07	
Profit, Sale of Real Property.....	2,860.69	
Interest Reserve, Real Property Transferred to Trust Deeds.....	553.87	
Interest Reserve, Bond Interest Collected.....	8,123.44	11,836.07
NET ADJUSTMENTS, Deducted.....		\$16,248.62

### ADJUSTMENTS, RESERVE ACCOUNTS

#### Schedule 3

BALANCE, June 30, 1939.....		\$17,783,777
ADDITIONS:		
Interest Reserve Accounts, increased.....		3,724
		\$17,787,501
DEDUCTIONS:		
Balance carried forward from 1938-39.....		749,967
BALANCE, June 30, 1940.....		\$17,037,534

### RECONCILIATION OF DELINQUENT INTEREST

#### Schedule 4

BALANCE, June 30, 1939.....		\$22,390.13
ADDITIONS:		
Street Improvement Bond Interest, Prior Year not Collected.....	\$11,196.38	
Other Bond Interest, Prior Year not Collected.....	3,405.00	
		14,601.38
		\$36,991.51
DEDUCTIONS:		
Collections, Bond Interest Delinquent.....	\$ 8,123.44	
Foreclosures, Bond Interest Delinquent.....	5,292.16	
		13,415.60
BALANCE, June 30, 1940.....		\$23,575.91

**STATEMENT OF CASH RECEIPTS AND DISPOSITION THEREOF  
FISCAL YEAR 1939-40**

**Schedule 5**

July .....	\$ 146,989	
August .....	250,022	
September .....	96,818	
October .....	108,065	
November .....	220,964	
December .....	317,344	
January .....	352,847	
February .....	108,973	
March .....	110,088	
April .....	223,687	
May .....	429,021	
June .....	245,475	
Total Receipts and Revenue .....		\$2,610,293
Revenue .....		1,079,997
<b>BALANCE</b> .....		<b>\$1,530,296</b>
 <b>ADJUSTMENTS:</b>		
Accrued Interest .....	\$ 51,256	
Interest, Prior Years .....	8,123	
Expenditure Refunds .....	69	
Taxes, 1940-41 .....	75,495	
Deferred Revenue, 1940-41 .....	32,566	\$ 167,509
Investment Receipts .....		\$1,362,787
 <b>ANALYSIS:</b>		
Street Improvement Bonds .....		\$ 166,710
Other Bond Investments .....		1,055,975
Bond Premiums .....		101,406
Certificates of Sale, Redeemed .....		3,293
Agreement Installments .....		5,902
Real Property .....		18,358
Partial Payments, Street Improvement Bonds .....		11,143
<b>TOTAL</b> .....		<b>\$1,362,787</b>

67  
75

115,360

Twenty

**STATEMENT OF CASH DISBURSEMENTS AND  
DISPOSITION THEREOF**

**Fiscal Year 1939-1940**

**Schedule 6**

July .....	\$ 137,064	
August .....	142,401	
September .....	140,624	
October .....	445,029	
November .....	171,904	
December .....	141,662	
January .....	147,138	
February .....	286,619	
March .....	205,135	
April .....	146,157	
May .....	150,403	
June .....	153,494	
Total Disbursements .....		\$2,267,630
Expenditures .....		1,717,296
BALANCE .....		\$ 548,334
ADJUSTMENTS:		
Abatement of Expenditures .....	\$ 313	
Rebates, Members' Contributions .....	1,219	\$ 1,532
Capital Investments .....		\$ 548,802
ANALYSIS:		
Bonds Purchased, Par Value .....		\$ 530,000
Bonds Purchased, Bond Premiums .....		6,747
Bonds Purchased, Prepaid Interest .....		1,682
Purchase Other Bonds, Real Property .....		9,698
Quiet Title Cost .....		675
TOTAL .....		\$ 548,802

**CASH RECEIPTS AND DISBURSEMENTS AND DISPOSITION  
THEREOF, RECONCILED**

**Fiscal Year 1939-40**

**Schedule 6-A**

Cash Balance, July 1, 1939.....		\$ 831,517
ADD:		
Revenues .....	\$1,079,997	
Adjustments .....	167,509	
Investment Receipts .....	1,362,787	2,610,293
		\$3,441,810
DEDUCT:		
Expenditures .....	\$1,717,296	
Adjustments .....	1,532	
Capital Investments .....	548,802	2,267,630
CASH BALANCE, July 1, 1940.....		\$1,174,180

**ANALYSIS OF BONDS, CLASSIFIED  
EXCLUSIVE OF STREET BONDS  
June 30, 1940  
Schedule 7**

	Balance 6-30-1939	Purchases	Sales	Maturities	Balance 6-30-1940	Percent
L. A. General Obligation .....	\$ 1,290,000	\$ .....	\$ .....	\$ .....	\$ 1,290,000	10.76 ✓
L. A. Chamber of Commerce .....	80,000	.....	.....	.....	80,000	.66 ✓
L. A. City School Districts.....	1,337,500	.....	.....	14,000	1,323,500	11.04 ✓
Metropolitan Water District .....	249,000	.....	.....	.....	249,000	2.08 ✓
California Municipalities.....	932,250	.....	8,000	25,875	898,375	7.49 ✓
State of California .....	1,310,000	.....	5,000	.....	1,305,000	10.88 ✓
California Districts .....	875,000	.....	.....	.....	875,000	7.30 ✓
Municipal Improvement Districts.....	470,500	.....	12,000	10,500	448,000	3.74 ✓
California School Districts.....	952,400	.....	13,000	13,000	926,400	7.73 ✓
Eastern Districts .....	.....	200,000	.....	.....	200,000	1.67
Eastern Municipalities .....	2,357,000	100,000	641,000	.....	1,816,000	15.15
Southern Municipalities .....	255,000	.....	90,000	.....	165,000	1.38
U. S. Government .....	2,411,200	224,000	.....	221,800	2,413,400	20.12
TOTAL.....	\$12,519,850	\$524,000	\$769,000	\$285,175	\$11,989,675	100.00%

Twenty-one

CITY OF LOS ANGELES  
DEPARTMENT OF PENSIONS  
FIRE AND POLICE PENSION FUND—INVESTMENTS  
At June 30, 1940

Twenty-two

Description	Coupon	Maturity	Par Value
1929 Arcadia Library .....	5.00%	1942/59	\$ 21,000
1927 Arcadia Water .....	5.00	1940/66	55,000
1925 Arlington County, Virginia .....	5.00	1955	10,000
1924 Arlington County, Virginia .....	5.25	1953/54	10,000
1927 Azusa City Hall .....	5.00	1945/64	12,000
1924 Baldwin Park School District .....	5.50	1941/42	3,000
1926 Beverly Hills School District .....	5.00	1946/66	30,000
1915 Boston, Massachusetts .....	4.25	1960	25,000
1924 Burbank School District .....	5.00	1946/52	32,000
1928 Burbank School District .....	5.00	1943/57	68,000
1924 Burbank High School District .....	5.00	1940/62	97,000
1915 California Building .....	4.00	1951/65	35,000
1911 California Highway .....	4.00	1957	5,000
1924 California Highway .....	4.50	1963/64	55,000
1917 California Highway .....	4.50	1961	25,000
1923 California Highway .....	4.75	1961/62	20,000
1927 California University Building .....	4.25	1963/64	30,000
1927 California Veterans' Welfare .....	4.00	1945/52	310,000
1932 California Veterans' Welfare .....	4.50	1949/52	825,000
1928 Clearwater School District .....	5.00	1950/53	5,000
1924 Compton School District .....	5.00	1943/47	15,000
1924 Compton Union High School District .....	5.00	1951	10,000
1927 Compton Union High School District .....	5.00	1953/57	25,000
1929 Compton Union High School District .....	5.00	1942	5,000
1927 Culver City Municipal Improvement .....	5.75	1940/46	120,000
1923 Culver City Municipal Improvement District No. 1 .....	6.00	1939/59	62,000
1924 Culver City Municipal Improvement District No. 2 .....	6.00	1940/61	34,000
1935 Dallas, Texas .....	3.00	1961	5,000
1926 Downey Union High School District .....	5.00	1941/55	47,000
1925 East Bay Municipal Utility District .....	5.00	1969/73	250,000
1928 East Bay Municipal Utility District .....	5.00	1971/74	10,000

1926	El Segundo High School District .....	5.00	1946/53	91,000
1923	El Segundo Water Works .....	5.00	1949/53	26,000
1929	Erie County, New York .....	4.25	1956	50,000
1927	Garvey School District .....	6.00	1942/55	34,000
1925	Glendale School District .....	5.00	1954/62	45,000
1933	Golden Gate Bridge & Highway District .....	4.75	1963/71	50,000
1926	Hawthorne School District .....	5.00	1963/66	10,000
1924	Hawthorne School District .....	5.00	1948/50	6,000
1924	Hawthorne Water Works .....	5.50	1941	4,000
1915	Hudson County, New Jersey .....	4.50	1965	5,000
1924	Hudson County, New Jersey .....	4.50	1953	10,000
1922	Huntington Beach Municipal Improvement District .....	5.00	1942	5,000
1926	Huntington Park School District .....	5.00	1941/66	166,000
1928	Huntington Park School District .....	5.00	1946/60	73,000
1924	Huntington Park Union High School District .....	5.00	1947/56	38,000
1927	Huntington Park Union High School District .....	5.00	1953/57	50,000
1923	Huntington Park Union High School District .....	5.00	1948/56	100,000
1927	County of Imperial, R.I.D. No. 9 .....	6.00	1943/44	50,000
1924	Inglewood Fire Department .....	5.00	1940/45	6,000
1925	Inglewood School District .....	5.00	1951/55	25,000
1925	Jefferson School District .....	5.00	1940/61	33,000
1934	Kansas City Auditorium .....	4.00	1962	15,000
1926	La Ballona School District .....	5.00	1941/66	130,000
1927	La Verne City School District .....	5.50	1941/47	7,000
1924	Los Angeles Bridge .....	4.75	1948/57	65,000
1926	Los Angeles Bridge & Viaduct .....	4.50	1959	5,000
1937	Los Angeles C. of C. Bldg. Corp. ....	4.00	1957	80,000
1937	Los Angeles C. of C. (Preferred Shares) .....			1**
1926	Los Angeles City Hall .....	4.50	1964	15,000
1924	Los Angeles City Hall .....	4.50	1944/47	35,000
1921	Los Angeles Electric Plant .....	5.00	1960	5,000
1924	Los Angeles Fireboat .....	4.75	1948/57	60,000
1923	Los Angeles Fire Protection .....	4.50	1947/52	19,000
1921	Los Angeles Harbor Improvement .....	4.50	1957	10,000
1923	Los Angeles Harbor Improvement .....	4.75	1945/61	575,000
1922	Los Angeles Harbor Improvement .....	4.75	1946	10,000
1919	Los Angeles Harbor Improvement .....	6.00	1959	2,000
1922	Los Angeles Public Library .....	4.75	1948	50,000
1924	Los Angeles Playground .....	4.75	1950/56	69,000
1923	Los Angeles Sewage Disposal .....	4.50	1952	10,000
1924	Los Angeles Sewer Disposal .....	5.00	1959/62	40,000

\*\*Not included in totals.



**CITY OF LOS ANGELES**  
**DEPARTMENT OF PENSIONS**  
**FIRE AND POLICE PENSION FUND—INVESTMENTS—Continued**  
**At June 30, 1940**

Twenty-four

Description	Coupon	Maturity	Par Value
1924 Los Angeles Viaduct .....	4.75	1948/60	135,000
1933 Los Angeles Water .....	4.75	1970/72	60,000
1924 Los Angeles Water .....	4.75	1950/59	90,000
1932 Los Angeles Water .....	5.00	1961	35,000
1923 Los Angeles M.I.D. No. 17 .....	5.00	1944/45	4,000
1923 Los Angeles M.I.D. No. 19 .....	5.50	1956/62	50,000
1924 Los Angeles M.I.D. No. 23 .....	5.50	1953/59	50,000
1929 Los Angeles M.I.D. No. 61 .....	6.00	1947/48	30,000
1929 Los Angeles M.I.D. No. 62 .....	6.00	1948	6,000
1929 Los Angeles M.I.D. No. 73 .....	6.00	1944/64	104,000
1930 Los Angeles M.I.D. No. 75 .....	5.75	1952/69	93,000
1928 County of Los Angeles Drainage District Improvement No. 22 .....	6.00	1946	3,000
1928 County of Los Angeles Drainage District Improvement No. 23 .....	6.00	1942/46	132,000
1924 County of Los Angeles Flood Control District No. 2 .....	5.00	1943/61	209,000
1925 County of Los Angeles Sanitation District No. 1 .....	5.50	1944/65	56,000
1925 County of Los Angeles Sanitation District No. 2 .....	5.50	1955/65	65,000
1925 County of Los Angeles Sanitation District No. 5 .....	5.00	1960/63	20,000
1925 County of Los Angeles Sanitation District No. 5 .....	5.50	1949/56	30,000
1922 Los Angeles School District .....	4.75	1945/62	131,000
1924 Los Angeles School District .....	5.00	1942/61	311,000
1920 Los Angeles School District .....	5.50	1944/59	92,000
1924 Los Angeles High School District .....	4.75	1950/61	58,000
1922 Los Angeles High School District .....	5.00	1940/63	114,000
1920 Los Angeles High School District .....	5.50	1940/51	28,000
1927 Lynwood City Hall .....	5.00	1951/59	4,500
1915 Marian School District .....	6.00	1947/50	8,000
1924 Maywood School District .....	5.50	1942/64	53,000
1937 Memphis, Tennessee Electric Plant .....	3.75	1965	50,000
1937 Metropolitan Water District .....	4.00	1979/80	249,000
1910 Monrovia High School District .....	5.00	1949/50	10,000
1924 Monrovia Water .....	5.00	1955	4,000

1921	Monrovia Water	5.50	1951/54	6,000
1926	Montebello Park & Natatorium	5.00	1940/66	37,000
1927	Montebello School District	5.00	1949/53	20,000
1922	Monterey Park Water Works	6.00	1941/61	41,500
1929	Montgomery County, Maryland	4.50	1950/65	50,000
1931	Montgomery County, Maryland	4.50	1953/58	52,000
1930	New Orleans, Louisiana	4.50	1971	50,000
1938	New York City School	3.00	1940	100,000
1927	New York Corporate Stock	4.00	1977	50,000
	New York Corporate Stock	4.00	1959/80	80,000
1926	New York Corporate Stock	4.25	1976	25,000
	New York Corporate Stock	4.25	1964/81	250,000
1928	New York Corporate Stock	4.25	1978	65,000
1931	New York Corporate Stock	4.25	1981	100,000
1924	New York Corporate Stock	4.25	1974	212,000
1917	New York Corporate Stock	4.50	1967	40,000
	New York Corporate Stock	4.50	1965/71	90,000
1929	New York Corporate Stock	4.50	1979	168,000
1915	New York Corporate Stock	4.50	1965	65,000
1921	New York Corporate Stock	4.50	1971	194,000
1935	Port of New York	4.00	1975	50,000
1923	State of North Carolina	4.75	1963	25,000
1925	Oakland School District	5.00	1955	5,000
1927	Otay School District	5.50	1940/42	3,000
1925	Pasadena M.I.D. No. 4	5.50	1957	15,000
1926	Pomona Water Plant	5.00	1949/60	101,000
1921	Pomona High School District	5.50	1950	5,000
1927	Ranchito School District	5.50	1941/55	54,000
1924	Rialto Water Works	5.00	1953/54	10,000
1938	Sacramento Municipal Utility District	3.00	1961/69	85,000
1905	San Diego 30th Street Water Main	4.50	1940/44	4,000
1928	San Francisco Hetch Hetchy	4.50	1964/74	130,000
1925	San Francisco Hetch Hetchy	5.00	1959/69	55,000
1932	San Francisco Hetch Hetchy	5.00	1969	18,000
1923	San Francisco School	5.00	1953/56	54,000
1928	San Francisco Spring Valley	4.50	1962/68	60,000
1910	San Francisco Water	4.50	1963	84,000
1922	San Gabriel School District	5.50	1940	5,000
1921	Santa Maria Union High School District	6.00	1953/55	10,000
1921	Santa Monica School District	6.00	1952	5,000
1926	South Santa Anita School District	5.00	1940/51	60,000
1940	Triborough Bridge Authority	3.25	1980	200,000
1923	Tujunga School District	5.00	1941/43	3,000

**CITY OF LOS ANGELES**  
**DEPARTMENT OF PENSIONS**  
**FIRE AND POLICE PENSION FUND—INVESTMENTS—Continued**  
**At June 30, 1940**

Twenty-six

Description	Coupon	Maturity	Par Value
1927 Tweedy School District .....	6.00	1941/45	2,400
1936 U. S. Treasury Certificates .....	2.75	1959/56	140,000
U. S. Treasury Certificates .....	2.875	1960/55	425,000
1939 U. S. Treasury Certificates .....	2.00	1950/48	24,000
U. S. Treasury Certificates .....	3.125	1949/46	350,000
U. S. Treasury Certificates .....	3.125	1952/49	200,000
U. S. Treasury Certificates .....	4.25	1952/47	1,267,000
U. S. Home Loan Bonds .....	3.00	1952/44	7,400
1921 Venice School District .....	6.00	1946/51	14,000
1924 Venice School District .....	5.00	1948/54	25,000
1924 Venice Union High School District .....	5.00	1945/59	30,000
1925 Vernon Fire Alarm .....	4.50	1941/45	1,500
1925 Vernon Fire Alarm .....	4.75	1945/65	7,875
1922 Watts School Dist. ....	5.00	1940/52	4,500
1930 County of Westchester, N.Y. ....	4.25	1970/72	75,000
1926 County of Westchester, N.Y. ....	4.25	1975	10,000
1928 County of Westchester, N.Y. ....	4.00	1970/77	50,000
TOTAL .....			\$11,989,675
Accrued Interest, June 30, 1940 .....	\$162,697.16		
Delinquent Interest, June 30, 1940 .....	3,508.13		
TOTAL .....	\$166,205.29		

	Maturity	Par Value
1928 Vermont Avenue S.I.B. Series No. 25 .....	1940/57	\$ 14,774.79*
1928 Gower Street S.I.B. Series No. 7 .....	1940/57	5,992.84*
1928 Myra Avenue S.I.B. Series No. 3 .....	1940/57	7,543.14*
1928 Fourth Street S.I.B. Series No. 25 .....	1940/57	22,686.32
1928 Avenue 60 S.I.B. Series No. 3 .....		4,491.99*
1928 Olive Street S.I.B. Series No. 10 .....	1940/58	82,103.75*
1928 Olive Street S.I.B. Series No. 9 .....	1940/58	40,939.70*
1928 La Brea Avenue S.I.B. Series No. 13 .....	1940/58	36,226.58*
1929 Virgil Avenue S.I.B. Series No. 11 .....	1940/58	77,635.37*
1929 Western Avenue S.I.B. Series No. 19 .....	1940/59	75,561.06*
1929 Broadway S.I.B. Series No. 16 .....	1940/59	138,098.80*
1930 Beverly Boulevard S.I.B. Series No. 13 .....	1940/59	26,703.47*
1930 Washington Street S.I.B. Series No. 15 .....	1940/59	154,774.04*
1930 Manchester Avenue S.I.B. Series No. 6 .....	1940/59	114,526.39*
1930 Franklin Avenue S.I.B. Series No. 12 .....	1940/59	3,321.35*
1930 Coldwater Canyon S.I.B. Series No. 1 .....	1940	12,126.18*
1930 Windward Avenue S.I.B. Series No. 1 .....	1940	6,980.29*
1930 Flower Street S.I.B. Series No. 7 .....	1940/60	4,402.45*
1931 Franklin Avenue S.I.B. Series No. 13 .....	1940/60	3,253.45
1931 Silver Lake Boulevard S.I.B. Series No. 3 .....	1940/60	26,280.23*
1931 La Brea Avenue S.I.B. Series No. 20 .....	1940/60	55,565.61*
1931 Echo Park Terrace S.I.B. Series No. 1 .....	1940/50	818.33*
1931 Slauson Avenue S.I.B. Series No. 10 .....	1940/60	58,403.32*
1931 Temple Street S.I.B. Series No. 12 .....	1940/60	146,329.93*
1931 Sepulveda Boulevard S.I.B. Series No. 2 .....	1940/61	9,411.94*
1931 Figueroa Street S.I.B. Series No. 24 .....	1940/60	13,317.08*
1931 Gaffey Street S.I.B. Series No. 10 .....	1940/60	915.97*
TOTAL .....		\$ 1,143,184.37
Accrued Interest, June 30, 1940 .....	\$ 71,747.78	
Delinquent Interest, June 30, 1940 .....	20,067.78	
TOTAL .....	\$ 91,815.56	

\*Delinquent Principal June 30, 1940, \$118,097.41.

## CHARTER AND ORDINANCE PROVISIONS GOVERNING PENSION SYSTEM

### 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 savings 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 ( $2/3$ ) 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' of 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 ( $2/3$ ) 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 member 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 (\$1,800.00) 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 find-

Thirty

ings 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 Section 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 anywise 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,



Thirty-two

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 a fund is hereby created to be known as the Fire and Police Pension Fund.

The Board of Pension Commissioners shall, annually, prepare a budget consisting of the estimated requirements for the next succeeding fiscal year to pay and discharge (a) disability pensions, (b) widow's pensions, (c) minors' pensions, (d) dependents' pensions, and (e) administration expense.

In addition to the foregoing there shall be included in said budget a sum equal to four per centum of the estimated total payrolls of the Fire and Police Departments for those members of the said Departments included within the pension provisions of this article, for the next succeeding fiscal year.

In the event that all payments made and to be made from said Fire and Police Pension Fund during any fiscal year shall exceed the total sum paid into said fund from all sources as hereinafter provided, then and in that event, in addition to all sums heretofore provided to be included in said budget there shall be set up therein a sum equal to the difference between the amount of moneys paid from said fund and all moneys received into said fund during said fiscal year.

For the purpose of providing funds to meet the budget of said Fire and Police Pension Fund as hereinabove described the City Council shall levy annually a tax clearly sufficient to provide the total amount of all items in said budget.

There shall be paid into said Fire and Police Pension Fund the following moneys, to-wit:

- (a) All interest and earnings from the investment of said funds;
- (b) All contributions and donations to the Fire and Police Departments for services by any member or members thereof, except amounts of moneys donated to provide for any medal or permanent competitive award;
- (c) All fines imposed upon members of the Fire and Police Departments for violations of rules and regulations of said Departments;
- (d) All proceeds from the sale of unclaimed property;
- (e) All deductions from the salaries of the members of the Fire and Police Departments, as provided for in Section 186½ hereof;
- (f) All moneys received from taxes levied and collected for the use of said fund, as hereinbefore in this section provided.

Sec. 186½. 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 payroll of said department a deduction of four per cent (4%) of the amount of salary, as shown on each such payroll, of each such member whose name appears thereon, and shall certify to the Controller on each such payroll the amount to be deducted from the compensation of each such member whose name appears thereon, and shall cause to be drawn a payroll check in favor of the Board of Pension Commissioners for the total amount of deduction shown on each payroll of such department, and said board shall deposit said payroll 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 payroll 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 payroll 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 payroll, 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.

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**ORDINANCE No. 67,778**

An Ordinance providing for the issuance of a certificate of service to members of the Fire Department and Police Department who have

Thirty-four

conformed with the pension provisions of the Charter of the City of Los Angeles.

The people of the City of Los Angeles do ordain as follows:

Section 1. Definition "Member." The term "member" of the Fire Department or Police Department as used herein shall refer to, mean and include 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, all members of the 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 they may be described in any salary or departmental ordinance providing compensation for the members of said Police Department.

The provisions herein in this ordinance contained shall apply to all members of the Fire Department or Police Department as in this section defined.

Sec. 2. As soon as possible, and in any event within five (5) days after a member of the Fire Department or Police Department shall have served in such department the aggregate number of years entitling him to retirement as provided in Section 181 of the Charter of the City of Los Angeles, there shall be issued to each such member a certificate showing the total number of years served by such member in such department, which certificate shall be irrevocable and shall serve as evidence of such service; providing, however, that if such member shall continue in the service of such department thereafter, such certificate shall be continuing in effect, and each year, and/or portion or portions of a year, thereafter served by such member in such department shall be added to such certificate and made part thereof the same and as fully as if said additional period or periods of service were actually entered thereon.

It shall be, and it is hereby made the duty of the Board of Pension Commissioners to sign and issue such certificate to such member affected by the provisions of this section.

Sec. 3. Upon the completion of the period of service mentioned in Section 181 of the Charter of the City of Los Angeles, entitling such member to retire under its provisions, such member shall be entitled to retire at any time thereafter from active service from such department in accordance with the provisions of said Section 181 hereinabove referred to, which right shall be a fully matured, absolute, vested property right, reserved for such member as a constituted and granted right to retire; and no event or occurrence of whatsoever kind or nature, whether prior, pending or subsequent, shall ever operate as a forfeiture or divestiture thereof; provided, however, that if such member shall continue in the service of said department, he shall nevertheless be entitled to all the benefits of the additional percentage as provided for by said Section 181 herein referred to, in computing the aggregate number of

Thirty-five

years of service in such department up to the time of his actual retirement.

Sec. 4. The City Clerk shall certify to the passage of this ordinance by a unanimous vote and cause the same to be published once in The Los Angeles Daily Journal.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles by the unanimous vote of all members of said Council present, there being not less than twelve members present, at its meeting of September 15, 1930.

ROBT. DOMINGUEZ,  
City Clerk.

Approved this 20th day of September, 1930.

JOHN C. PORTER,  
Mayor.