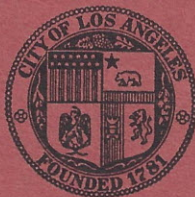


ANNUAL REPORT
OF THE
BOARD of PENSION COMMISSIONERS

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1943

with

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

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



FOR THE FISCAL YEAR ENDED JUNE 30, 1943

with

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

September 23, 1943

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

Gentlemen:

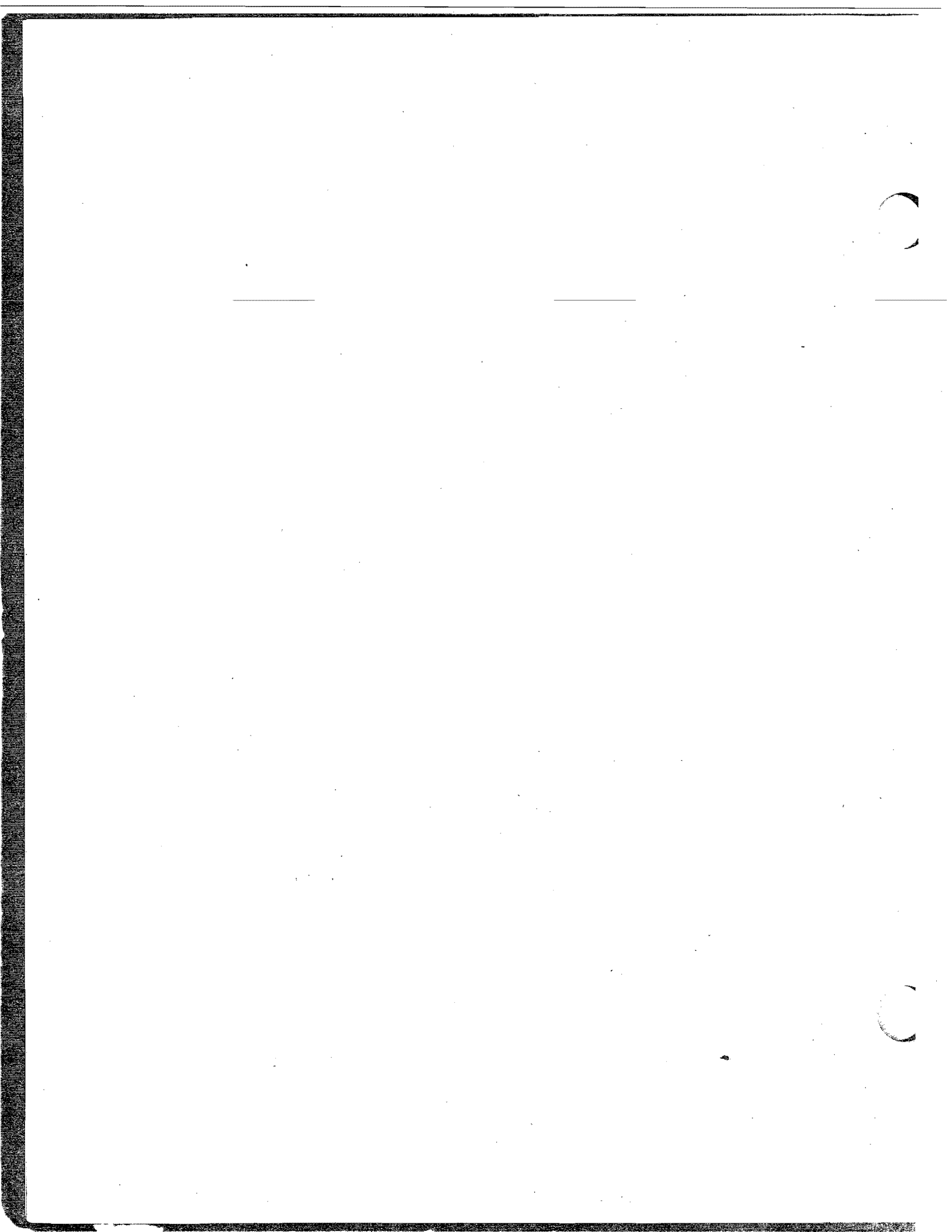
In accordance with the provisions of Section 64, Article 4 of the Charter of the City of Los Angeles, the Board of Pension Commissioners respectfully submits herewith its annual report for the fiscal year ended June 30, 1943.

Respectfully submitted,

BOARD OF PENSION COMMISSIONERS,

John W. Donner,

Secretary.



Personnel of the
BOARD OF PENSION COMMISSIONERS

A. GAYLORD BEAMAN, President
(Term expires July 1, 1947)

JAMES SHELDON RILEY
(Term expires July 1, 1946)

EDWIN O. PALMER, M.D.
(Term expires July 1, 1945)

C. JEROME CABLE
(Term expires July 1, 1944)

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:

A tentative draft of the Annual Report of the Pension Department for the fiscal year 1942-43 is submitted herewith. Included therein are financial and operating statements of the Fire and Police Pension Fund for the period ended June 30, 1943, compared with corresponding figures for the fiscal year ended June 30, 1942. Certain brief comments are also given which are considered pertinent to a clear understanding of such items.

During the fiscal year ended June 30, 1943, 366 petitions for pensions were received. On July 1, 1942, 22 petitions were pending, making a total of 388 petitions to be acted upon, of which number 334 were granted, 10 denied, 3 filed, 6 withdrawn, and 35 pending at June 30, 1943. During the same period 42 pensions were discontinued. Adding the net increase of 292 to the 1,540 existing at the close of the last fiscal year gives a total of 1,832 beneficiaries of the Fire and Police Pension Fund. These are segregated into various classes and comparisons with the fiscal year ended June 30, 1942 are set forth below:

	1941-1942			1942-1943		
	Fire	Police	Fire and Police	Fire	Police	Fire and Police
Service	505	491	996	571	679	1,250
Disability	75	115	190	80	126	206
Widows	119	207	326	125	220	345
Minors and Dependents	11	17	28	10	21	31
TOTAL.....	710	830	1,540	786	1,046	1,832

These changes in pension classifications are substantially analyzed as follows:

	Fire	Police	Total
Service			
Granted	74	203	277
Deaths	8	15	23
Deaths—Pending .....	.....	1*	1*
Withdrawn	2*	3*	5*
Denied .....	.....	1*	1*
	66	188	254

Six

	Fire	Police	Total
Disability			
Granted	5	17	22
Deaths	---	3	3
Adjusted	11*	14*	25*
Returned to Duty	---	3	3
Filed	---	2*	2*
Denied	4*	1*	5*
	<u>5</u>	<u>11</u>	<u>16</u>
Widows			
Granted	9	22	31
Deaths	3	7	10
Decrease	4*	7*	11*
Denied	1*	4*	5*
Married	---	2	2
	<u>6</u>	<u>13</u>	<u>19</u>
Minors and Dependents			
Granted	---	4	4
Discontinued	1	---	1
	<u>-1</u>	<u>4</u>	<u>3</u>

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

As of June 30, 1943, there were 83 members of the Fire Department and 98 members of the Police Department eligible for retirement. In addition, there are six members of the Police Department and two members of the Fire Department now on military leave who would be eligible for retirement if they were restored to duty.

It is interesting to note the decrease in the number of members eligible for service retirement at the end of each year. The following statement represents by departments the number of members eligible as of June 30 of each fiscal year:

	Fire	Police	Total
June 30, 1939	226	146	372
June 30, 1940	225	137	362
June 30, 1941	164	133	297
June 30, 1942	115	83	198
June 30, 1943	83	98	181

The following statement shows the number of actual retirements upon service pensions for the fiscal year ending:

	Fire	Police	Total
June 30, 1939	42	44	86
June 30, 1940	70	27	97
June 30, 1941	76	45	121
June 30, 1942	79	185	264
June 30, 1943	74	203	277

During the fiscal year 1943-44, 265 members of the Police Department and 290 members of the Fire Department will become eligible for retirement.

For the purpose of computing estimated requirements for service pension payments during the fiscal year 1943-44, it has been estimated that service retirements during the year will require \$2,153,796.

As a result of this process of estimation, we arrive at the conclusion that 416 members of the Fire and Police Pension System will retire upon service pensions during the fiscal year 1943-44. It is noted that these retirements will be distributed between the twelve monthly periods in said year and the actual amount of money required to pay the pensions for such members during the fiscal year 1943-44 is estimated and restated as being equivalent to the retirement of 200 members at an average monthly pension of \$115 per month. Upon this basis, the sum of \$276,000 would be required to pay the cost of additional pensions granted during the next fiscal year.

MILITARY LEAVES

	Fire	Police	Total
1940-1941	12	18	30
1941-1942	40	88	128
1942-1943	210	372	582
TOTAL.....	262	478	740
Returned from Military Leave.....	6	17	23
TOTAL.....	256	461	717

As shown in the above schedule, a total of 740 men were called into military service during the three fiscal years beginning July 1, 1940 and ending June 30, 1943. Twenty-three men have returned to duty from military leave and the balance of 717 indicates the number of men on military leave at the close of June 30, 1943. It is estimated that 100 members of the Police Department and 75 members of the Fire Department are subject to call for military duty during the course of the fiscal year 1943-44.

Dependent's Pensions

In order to answer questions that have been raised, herewith is presented an analysis of dependent's pensions paid during the fiscal year 1942-43 from the viewpoint of the status of the pension member at the time of his death. It is noted that dependent's pensions are paid only upon death of the member and only to his widow and unmarried children under 18 years of age, or to his parent or parents if there be no other dependents and if dependency can substantially be shown.

Payments to dependents as a result of death of member while:

In active service	\$133,863
In active service after 20 years	143,209
Upon service pension	165,145
Upon disability pension	60,331
Result of litigation	12,949
TOTAL.....	\$515,497

ASSETS

Cash \$ 752,218

The amount of cash on hand at the end of the fiscal year shows a decrease of approximately \$576,494 from the balance of June 30, 1942. This change is explained by the fact that the proceeds of sales and maturities of bonds were more fully reinvested at this date.

Accounts Receivable \$ 391

This account was set up during the fiscal year 1942-43 and represents an amount due from Alexander Salot for the recovery of an insurance loss claim. Alexander Salot was purchasing two parcels of improved property under an agreement which was cancelled after litigation because of default in making payments.

Street Bonds—Unmatured \$ 483,536

This account represents unmatured principal coupons on bonds upon which payments have been made for the last twelve years. The majority of these bonds run for a period of twenty years and all of them are 7% bonds. These unmatured principal coupons are in excellent condition and would bring substantial premiums upon the present market.

Street Bonds—Matured \$ 46,725

As shown in Schedule No. 7, this account is segregated between delinquent principal and principal payments being made under agreements. The amount of \$46,725 represents the total of principal coupons delinquent, and not the face value of bonds upon which there were delinquencies. It is further noted that \$32,556, or 69.7% of these delinquencies are being redeemed under agreement payments and the values of such delinquent amounts must be considered relatively high. These agreements are not brought into the general accounts as such and should not be confused with agreements to redeem certificates and treasurer's deeds.

Taxes Receivable \$ 273,224

This account represents the amount of expenditures in excess of revenues for the fiscal year 1942-43. As shown in Exhibit 2, Statement of Operations Compared, the net operating surplus for the fiscal year 1942-43 shows a minus balance of \$273,224. Section 186 of the Charter provides that in the event tax revenues in any year are not sufficient to pay expenditures for such year, additional tax revenues must be levied in the succeeding year in order to meet such excess liabilities.

Bond Investments \$13,944,000

As shown in Schedule No. 5, this segregation represents general obligation, district, corporate, and government bonds. A recent appraisal of these securities by the investment counsellor indicated a market value of \$786,567 over and above the values as reflected on the books. It is noted that the sale of bonds has again produced a substantial profit over the unamortized portion of original cost. These amounts have been credited to a reserve for investment losses in consideration of realized losses upon street

improvement bonds foreclosed for which no actual account representation has as yet been made.

Certificates of Sale \$ 104,121

This segregation includes 49 certificates of sale upon which treasurer's deeds have not been taken. The total of \$104,121 is stated as the face value of these certificates of sale and after deducting the reserve for interest in the amount of \$21,728, the balance of principal is \$82,393. One foreclosure in the total amount of \$1,027 was made in the course of the fiscal year. Redemption of one certificate of sale during the past year totaled \$271. Two certificates of sale were transferred to treasurer's deeds, two certificates of sale were transferred to agreements receivable and ten certificates of sale were transferred to real property.

Assuming that payments of delinquent amounts on street improvement bonds that are under the installment agreements will be fully redeemed, it is estimated that any further foreclosures of street improvement bonds will be of minor importance. The values of certificates of sale and treasurer's deeds now held are considered to be fairly good.

Treasurer's Deeds \$ 393,036

This segregation includes 172 treasurer's deeds upon which quiet title actions have not been completed. The sum of \$393,036 is stated as face value of these treasurer's deeds. After deducting reserve for interest in the amount of \$80,762, the principal balance amounts to \$312,274. There were two transfers from certificates of sale during the fiscal period amounting to \$9,335. Twenty treasurer's deeds were transferred to real property and ten treasurer's deeds were transferred to agreements receivable.

Mortgages \$ 766

This item represents a second mortgage received in connection with an exchange of street improvement bonds for Home Owners Loan Corporation bonds during the fiscal year 1934-35. Principal and interest payments upon this mortgage are being paid currently.

Trust Deeds Receivable \$ 21,366

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. Payments of principal and interest on these trust deeds are paid currently and it is believed that such investments have excellent value. There were three new trust deeds received during this year.

Agreements Receivable \$ 19,603

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. There were five new agreements entered into during this period in the total amount of \$11,888. During this fiscal year this account has been reduced by \$16,459 and is considered as being in excellent condition.

Real Property—Improved \$ 516,143

This account represents the amount of improved real property that has been acquired through street bond foreclosures and in some cases the acquiring of quitclaim deeds to the property, together with other costs and purchase of other liens in connection with properties on which title has been quieted. Included in this segregation are 74 parcels.

The net book value after deducting \$88,354 reserve for interest charges amounts to \$427,789. Adding prior and subsequent bond liens and delinquent lighting assessments in terms of principal only amounting to \$9,376, and delinquent taxes amounting to \$32,513, a total of \$469,678 is shown. Appraisals of these properties show the current market value to be \$369,175. Comparing the total of \$469,678 with the current market price, a constructive loss of 21.4% in value is indicated.

During the year, the sum of \$1,982 was expended for rehabilitation. \$14,940 was received from such properties in the form of rent. Buildings at one location were demolished during the year due to structural instability.

Two parcels of improved property were sold during the year, the sales price being \$10,150, which resulted in a book profit of \$2,132. Appraisals show the current market value of these properties to be \$10,300.

Real Property—Unimproved \$ 852,780

This account represents the amount of unimproved property that has been acquired through street bond foreclosures and in some cases the acquiring of quitclaim deeds to the properties, together with other costs and purchase of other liens in connection with properties on which title has been quieted. Included in this segregation are 286 parcels.

The net book value after deducting \$147,030 reserve for interest charges amounts to \$705,750. Adding prior and subsequent bond liens and delinquent lighting assessments in terms of principal only amounting to \$34,742 and delinquent taxes amounting to \$33,866, a total of \$774,358 is shown. Appraisals of these properties show the current market value to be \$499,600. A comparison of the total of \$774,358 with the current market value shows a constructive loss of 35.5%. During the year the expense of lot cleaning and sidewalk repairs on unimproved properties totaled \$555. \$4,238 was received from such properties in the form of rent.

Three parcels of unimproved property were sold during the year, the sales price being \$3,750 which resulted in a book loss of \$1,379.76. Appraisal shows the current market price of these properties to be \$2,650.

In considering the constructive loss on both improved and unimproved properties, this loss can in a large measure be accounted for by the fact that the original assessments were levied against these properties during the peak years 1929 to 1931, when property values were much higher than at the present time.

Bond Premiums and Discount \$ 560,185

This account represents premiums paid and discounts taken in connection with the purchase of all bonds except street improvement bonds and U. S. Government bonds that are purchased at par, and is being prorated over the life of the issues affected in order that earnings upon such investments will be adjusted to the rates for which such bonds were purchased to yield.

Accrued Interest \$ 163,222

This account is segregated between current and delinquent interest. Current interest amounted to \$121,568 for bond investments and \$33,845 for street improvement bonds. Delinquent interest amounted to \$7,809 for street improvement bonds. There was no interest delinquent on bond investments at the end of the fiscal year.

Quiet Title Costs \$ 3,390

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

TOTAL ASSETS \$18,134,706

LIABILITIES

Accounts Payable \$ 35

This account is segregated into two items of expense which were in progress at the end of the fiscal year. This expense was incurred for cleaning sidewalks and debris at two locations.

Prepaid Payments \$ 952

This is a suspense account for cash payments received to apply on installment payments of principal and interest on street improvement bonds. There was no change in this account in the past fiscal year.

Partial Payments \$ 7,532

In the course of the fiscal year 1932-33, the policy of accepting partial payments on installments of either principal or interest on street improvement bonds and other classes of investments that had been acquired through street bond foreclosures was established. At that time, the City Treasurer was required by law to accept only payments in the full amount and it was believed that delinquencies would be greatly reduced if the property owners were permitted to pay past due and current amounts of principal and interest of street improvement bonds by the installment method. The balance in this account represents the amounts paid that have not been cleared against the actual asset affected. This account has shown a substantial decrease since the end of the last fiscal year.

Reserve for Bond Interest \$ 7,809

This amount represents interest delinquent at June 30, 1943 and is segregated so as to reflect in the earnings of the fiscal year in which these amounts accrued, without regard to the year in which collections are actually made.

Reserve—Interest on Other Investments \$ 337,874

Upon the foreclosure of the street improvement bond and the recording of the certificate 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.

Twelve

A reserve for the total of item two is then created and this amount carried to treasurer's deeds and real property as the transfer between the various classes of investments is made. At June 30, 1943, the reserve for certificates of sale amounted to \$21,728, treasurer's deeds \$80,762, and real property \$235,384. These items total \$337,874, and are herein treated as one account.

Reserve—Investment Losses \$ 1,001,292

This account represents the net profits from the sale of bonds and is strictly an evaluation reserve. These moneys are re-invested in United States Government and high grade corporate bonds, which investments increase the interest earnings to the fund and in turn reduce the requirements from taxes to pay pensions. In the fiscal year 1940-41, \$119,261 was converted from this reserve account to revenues for that fiscal year, thus eliminating the necessity of an additional tax levy in the following fiscal year in a like amount. Referring to Schedule No. 4 of this report, an analysis of operation adjustments during the fiscal year is shown. The balance of this account on July 1, 1942 was \$691,803. Excess of the proceeds of sales of bonds over original cost amounted to \$325,335 for the year. The procedure of adjusting capital loss and gain against this reserve account permits the surplus reserve account to remain substantially as a fixed amount.

Surplus Reserve \$16,779,212

This account represents the amount of surplus funds accumulated from prior years' operations to provide for excess pension requirements in future years

TOTAL LIABILITIES \$18,134,706

OPERATIONS

Investments

Changes in the classification of bonds other than street improvement bonds are indicated in Schedule No. 5. This schedule covers a three year period beginning July 1, 1940 and ending June 30, 1943. It is noted that in the diversification of the bond portfolio, sales of bonds total \$8,431,175 and bond purchases totaled \$10,561,000 in terms of par value.

It is believed that all of such investments with the exception of the Los Angeles Chamber of Commerce bonds are excellent in quality and stability, both from the viewpoint of market thinking and operating background of the issuing companies.

The investment of moneys in the fund is supervised by a nationally recognized investment counsellor as to the class of investments and changes to be made in the portfolio in order to obtain desirable diversification. Surplus moneys may be invested only in bonds and securities authorized by law as legal investment for savings banks or in local improvement bonds.

In comparing the balances in the bond portfolio at June 30, 1943 with that of the fiscal year ended June 30, 1940, it is noted that the program of diversification during the three year period shows a decrease in California securities of approximately 43.5%, investments in Government bonds show an increase of approximately 30%. Holdings in industrial, public utilities,

and railroad bonds total approximately 25.5% of the portfolio at the end of the fiscal year 1942-43, and all purchases in these classes of investments have been made in the past three fiscal years.

It seems pertinent that some comment be made regarding the decrease in interest earnings on investments. We are entering into a new fiscal year with a cash balance of \$752,218. \$743,649 of this amount is advanced from surplus and under ordinary conditions would be fully reinvested in revenue producing bonds. Due to the fact that the first tax allocation will not be paid into the fund before January, 1944, it becomes necessary to use this surplus cash to discharge current payments of pensions and administrative expenses. As shown in Exhibit 2 expenditures for this fiscal year exceeded revenue in the amount of \$273,224 and it is estimated that this amount for the fiscal year 1943-44 will be approximately \$758,000. The necessity of carrying this large cash balance is one factor in considering the decrease in interest earnings from bond investments.

Another reason for this decrease is caused by the maturity of street improvement bonds bearing 7% interest and the fact that the yield at the present time of bond purchases will average less than 3%. The balance of unmatured principal of street improvement bonds at June 30, 1940, totaled \$1,143,184. On June 30, 1943, this balance of unmatured principal had decreased to \$483,536, showing a reduction of \$659,648 during the three-year period.

Street Improvement Bonds

The status of street improvement bonds as of June 30, 1943 is shown in Schedule No. 7. In summarizing the operations of this account, from July 1, 1929 to June 30, 1931, total bond purchases amounted to \$6,521,223.79; the balance of unmatured principal of these bonds at June 30, 1943 was \$483,536.52; the difference representing principal coupons matured in the amount of \$6,037,687.27, disposition of which follows:

	Amount	Per Cent
Paid	\$4,271,380.69	70.75
Foreclosed	1,705,911.71	28.25
Charged Off	13,670.07	.23
Delinquent	46,724.80	.77
	\$6,037,687.27	100.00%

In considering the amount of \$13,670.07 charged off, it must be remembered that \$9,552 of this item was carried in a reserve for matured bonds covering the Avenue 60, Series 3, issue. \$1,028 of this amount has since been recovered, leaving a balance of \$8,524 at the close of this fiscal year. This principal sum involves 185 bonds ranging in denomination of \$24 to \$84 and will require a considerable period of time to effect payment. It is noted that a reserve in this same amount has been established for this item. The remaining \$4,118.07 represents the amount of principal that was written off during the fiscal year 1934-35 when approximately 23 street improvement bonds were exchanged for Home Owners Loan Corporation bonds. An appraisal by the Home Owners Loan Corporation of the properties covered by this exchange of bonds resulted in an agreement by the Board of Pension Commissioners and the Home Owners Loan Corporation making it necessary for the Board to charge off balances of Street Improvement Bonds in order to complete these exchanges.

Fourteen

In considering the earnings on street improvement bonds from July 1, 1929 to June 30, 1943, it is noted that \$2,579,461.92 in interest coupons matured. Disposition of this amount is as follows:

	Amount	Per Cent
Paid	\$2,273,278.35	88.12
Foreclosed	293,221.97	11.37
Charged Off	5,152.82	.20
Delinquent	7,808.78	.31
	<u>\$2,579,461.92</u>	<u>100.00%</u>

In addition, earned interest on unpaid principal amounted to \$187,845.15, and bonus on bonds paid in full before maturity amounted to \$41,765.31 from July 1, 1930 to June 30, 1943.

Other Liens

The necessity for and the many difficulties incident to the acquisition or payment of overlapping assessment and bond liens have been considered in prior reports. Real estate acquired through foreclosure of street improvement bonds cannot be liquidated until other assessments and tax liens have been eliminated.

During the fiscal year 1942-43, \$6,690 was expended in discharging delinquent street lighting assessments on forty-four parcels. This was accomplished through compromise on a pro rata basis with the Assessment Revolving Fund. The principal amounts of these lighting assessments was \$14,091, and settlement made was on the basis of 47.47 per cent of the principal.

Ninety-eight overlapping street improvement bonds were purchased or paid off at the office of the City Treasurer at a cost of \$13,594. The unpaid principal on these bonds amounted to \$15,207. The cost, averaged over the whole group, is approximately 91 per cent of principal. This is considerably more than the average of such costs during the previous year and is accounted for by the fact that in several instances it was necessary to pay off on the basis of the full amount of principal, interest and penalties due, in order to effect a sale of the property involved or to avoid foreclosure proceedings on a prior bond.

The question of our right to an outright and absolute cancellation of general taxes has not been finally determined, and there have been no such cancellations. The county officers, on the advice of the county counsel, remain adamant in their position that we are not legally entitled to such cancellation. The City Attorney has advised that in his opinion we are. It is apparent that there can be no such cancellations in the absence of a Supreme Court decision upon the question. This Court, in a tax cancellation suit brought by an irrigation district, has recently announced a principle which raises a serious question as to the advisability of now litigating the right to cancel general tax liens upon properties in which this Fund is interested. The court held that even though properties acquired by the district were exempt from taxation during the period that title remained in the district—upon a sale to a private party it would be necessary, in order to redeem from previous tax sales, to pay taxes during the period in which the property was owned by the public entity. In its decision the Court pointed out that there was a means of avoiding this result in that the Revenue and Taxation Code authorized the purchase, by the irrigation district, of the other tax liens. To now litigate the question of cancellation entails the possibility that we

would have to pay, in addition to the taxes accrued as of the date of our Treasurer's Deed, taxes for all unassessed years until the property is disposed of by us. It may be that the purchase under one of the county formulas and as authorized in the Revenue and Taxation Code will be the better course of procedure. The City Attorney has recently ruled that there is no legal obstacle to our negotiating for the purchase of outstanding tax liens if in the opinion of the Board the best interests of the Fund would be served by so doing. We have, therefore, as a trial procedure and in order to ascertain the cost of such proceedings, made application for such purchases. To date we have some ten or twelve agreements in process, involving about twenty parcels of land, the parcels being those in which we have a present purchaser.

As of the close of the year, outstanding liens against properties in which we are interested were as follows: 109 bonds prior to ours in point of time upon which there is an unpaid principal of \$11,355; 70 bonds subsequent in point of time, with an unpaid principal of \$9,600; street lighting assessments affecting 180 parcels of land, with an unpaid principal of \$23,163; delinquent taxes affecting 172 parcels, in the principal amount of \$66,379. The amounts stated do not include interest or penalties.

Litigation

During the year, several cases of importance to the Fund were finally determined. A rehearing was denied in the case of **Dillard v. Board of Pension Commissioners**, referred to at some length in the last annual report. It will be recalled that the Supreme Court completely reversed the decisions of the trial and appellate courts, in which the action of the Board denying a widow's pension, was sustained. On the basis of the Supreme Court's action, it will now be argued that under the doctrine of liberal construction, where there is a possibility of a causal connection between the death of a fireman or policeman and some injury or illness received in the discharge of his duty, the Board of Pension Commissioners must, as a proposition of law, allow a pension.

The case of **Bradley v. Board of Pension Commissioners** presents another extension of the benefits of the Pension System. In this case it was determined that death from cirrhosis of the liver was within the present charter provisions. Officer Bradley died in 1939 from cirrhosis of the liver, which first manifested itself in 1938. He had been given a course of Pasteur treatment in 1933 following a bite from a rabid dog. One doctor, called by the petitioner, testified that in his opinion it was "therapeutically possible" for the Pasteur treatment to have aggravated a previously existing liver condition so as to produce the cirrhosis. Several medical experts, including three of our own regular examiners who had examined Bradley during his lifetime in connection with an application made by him for disability retirement, stated that there was no known medical theory upon which it could be asserted that Pasteur treatment could so affect the liver. The trial court determined this "conflict in the evidence" in favor of the plaintiff. On appeal, its judgment was affirmed.

In the case of **Cordell v. City of Los Angeles**, it has just been determined by the trial court that death from a kidney failure following an appendectomy was service-connected. The theory upon which the action was prosecuted was that exposure to inclement weather and wetting from water in the fighting of fire must have so affected the fireman's kidneys as to be responsible for their failure following the appendectomy. The fact that Mr.

Cordell showed no evidence of kidney trouble during the seventeen years he was employed as a fireman—and that the postmortem examination showed or revealed that he had an essentially normal kidney up to the time of the operation, does not seem to have impressed the trial court.

The cases of **Knoll, Haas and McKeag v. the City**, have been determined by the Supreme Court. The court has held that in determining which employees in the Fire Department are eligible for the pension benefits, a liberal interpretation is to be applied; that civil service classifications, departmental rules and regulations, and the segregation contained in the personnel ordinances for the Fire Department are not controlling on the question as to which employees are engaged in the prevention or extinguishment of fire, for pension purposes; that the sole test is whether the work done has a direct or indirect relation to these subjects. Lily Knoll, a female clerk in the administrative office of the Fire Department, was held to be a member of the Fire Department, for pension purposes.

In the case of **Jenkins v. Board of Pension Commissioners**, just determined by the District Court of Appeal, it is held that an illegitimate child born some three years after the service retirement of the father and legitimated some years after the birth, is entitled to the benefits of the Pension System. Jenkins, the father, retired in 1923 on a service pension, after thirty years of service in the Fire Department.

In the case of **Faber v. Board of Pension Commissioners**, it is held that death by suicide is pensionable. Our contention that this could only be where an injury had produced an insanity of such potency as to cause death through an uncontrollable impulse or delirium of frenzy, was denied. In the case of Faber, during a period of some nine years following an injury to the head, he was able to and did discharge his duties as a police officer. Outside of his hours of duty, however, it was testified that upon many occasions he acted in an irrational manner. It was our contention that as a matter of law, where a person over a period of years was able to and did act in an entirely rational manner so far as the official discharge of his duties was concerned, it could not be said that he was incapable of knowing and understanding the character, nature, quality and consequences of his acts. The appellate court has ruled against the validity of this contention.

The case of **Gates v. City of Los Angeles**, also tried during the year, involved another suicide. Again it was asserted that suicide was the result of a blow on the head received several years before the death. Officer Gates was able to and did perform his duties, following the alleged accident, but again evidence was produced to establish that outside of the hours of his regular duty he acted quite irrational. The trial court gave judgment sustaining the action of the Board in denying his widow a pension. No appeal has been taken.

It will have been noticed that in practically every case the decision of the court has been in favor of the claimant on the law and on the facts. This situation is not peculiar to the Pension System of Los Angeles. The trend of the judicial interpretations of and applications of pension statutes in all pension cases has been to extend the doctrine of liberal construction and the doctrine of aggravation by service of a previously existing condition, to the point where it can almost be said that, for practical purposes, there is a presumption that the claimant is entitled to the pension, which presumption is not overcome unless it can be clearly demonstrated that death or disability could not possibly have resulted from an injury or sickness incurred in the line of duty, or from some aggravation incurred in the line of duty.

It is considered worth while to again point out that "early consideration should be given to the question providing affirmatively in the Charter for the allowance of a pension in all death cases, or by providing specifically therein for the contingencies upon which such pensions will be paid. In the latter event and in conformity with the procedure now established for disability cases it is suggested that there should be vested in the Board of Pension Commissioners the power to hear and determine the questions of fact in each case and whether a pension should be paid."

It is also suggested that immediate consideration be given to the existing volume of service retirements and to the many practical questions which are being raised under Section 17 of the City Charter dealing with the status of persons on military leave, their status with respect to the Pension System, and particularly their status if they become so physically or mentally incapacitated that they cannot return to active duty in the Fire and Police Departments.

Quiet Title Actions

During the course of the year eight quiet title actions, clearing title to properties on which the Department had foreclosed the lien of its street improvement bonds, were completed. Twenty-one actions in various stages of progress are still in process and in various stages of completion. In these latter cases the necessary procedural steps as may be required are taken from time to time looking toward the ultimate completion and the taking of judgment of quiet title against the record owners of the properties involved.

During the course of the year eight quiet title actions were dismissed by reason of the fact that quitclaim deeds had been obtained from the record owners or the claim of the Department of Pensions had been paid in full.

In addition there are approximately 75 quiet title actions to be filed upon which a considerable amount of work must be done preliminary to the actual filing of the action. Many of the cases in the latter category involve such steps as the opening of the probates of estates of deceased record owners. In many other cases it is necessary to file new actions for the reason that record owners or other interested parties had gone through bankruptcy and it is required that preliminary to the filing of such action a petition be made in the U. S. District Court to re-open bankruptcy proceedings affecting these individuals, corporations or estates, which bankruptcy in all cases had been terminated many years in the past. After the petition to re-open the bankruptcy and for the appointment of a receiver and trustee is granted, a further petition must be prepared requesting permission to sue the trustee of the bankrupt estate in order that such trustee may be made a party defendant in the quiet title action.

Soldiers' and Sailors' Civil Relief Act

Under the provisions of this Act and the interpretation placed thereon by the City Attorney's office, an affidavit is required showing that the record owners and other persons having an interest in real property are not in the armed forces of the United States. This affidavit is required at the time of the application for a Certificate of Sale and Treasurer's Deed, as well as at the time default judgment is taken in quiet title actions. The information in this affidavit must be obtained by an agent of this Department who is required to locate and contact the record owner or owners and other interested parties, if more than one, and in personal and direct conversation

with them ascertain their status. A recent title search of a recognized title company must accompany the affidavit, showing the description of the property as well as the names of the record owners.

By reason of the provisions of this Act it has not been possible to complete several quiet title actions and the foreclosure of some street improvement bonds for the reason that the record owners or other parties interested in the properties are in the armed forces and until such time as they return to civilian life further steps can not be taken.

Guardianships

During the course of the fiscal year there were 33 guardianships, three of which have been discontinued. The 30 remaining cases include 22 minors and 8 incompetents. A member of the legal division confers with guardians and attorneys with reference to accounts and explains the provisions of the Charter under which pensions are paid. A careful perusal of each annual account is made in order to determine that the funds of minors and incompetents are being properly expended in pursuance of court order.

Every effort is exerted to impress upon guardians and attorneys alike that, with particular reference to minors, an effort should be made by the guardian to conserve some of the pension paid for and on behalf of the minor in order that such infant will have an estate upon reaching age 18 at which time a pension will no longer be paid. This procedure is encouraged for the purpose of creating an estate wherever possible for such children in order to carry them through additional years of educational or vocational training as their particular aptitudes might dictate when they are no longer receiving a pension from this department.

Rehabilitation

The procedure of interesting all pensioners in productive work of a nature suited to their own cases has been continued. The assistance of the State Vocational Bureau in providing vocational advice and approved training has also continued. Acknowledgment is made to the Bureau for its very valuable contribution in this respect and to its members for the courteous and considerate treatment of our cases.

On account of the War Emergency, calls have been made upon this Department for the securing of defense workers, fire prevention and police guard work. A questionnaire was circulated to 1,250 service pensioners, of which 607 reported. Of this number, 432 are now employed, 89 are listed as wanting work and 86 are listed as being unable to work because of age or physical handicaps.

Marital Records

In accepting service and disability pension applications, requests have been made to the applicant to furnish evidence of marriage. This involves the securing of final divorce decrees, death certificates, birth certificates of minor children, and all information which would be needed in the event of the death of the service pensioner and his widow would apply for a pension. Members have recognized that this procedure is distinctly advantageous to their own interest and possibly would save their wives from much embarrassment. It is planned to extend this procedure to all men now on both service and disability pensions. It is believed that this will do much to eliminate confusion and inaccuracy and will unquestionably make for much better control of such matters.

Contributions

Section 186½ of the Charter provides the manner in which members of the system shall make contributions. This section of the Charter became effective January 13, 1927, and due to the fact that each member shall be determined to consent and agree to each deduction made as provided for in this section and that in no case shall deductions made for contributions be returnable, it was not originally necessary to make individual record of members' contributions.

On January 1, 1938, a detailed record of contributions of all active members of the system was inaugurated. Due to changes in the income tax laws of both the Federal Government and the State of California since that date, it has been necessary to make a detailed record of individual contributions dating back to January 13, 1927 up to the present time. In compiling this record the deductions made from all members of the system, including those members who have been separated from the service as well as those who are still active, has entailed a volume of work not anticipated when this record was commenced on January 1, 1938. It is estimated that this work will be completed up to the current date by the end of this calendar year.

When completed, this record will serve a dual purpose: (1) in the event that the Fire and Police Pension System shall again be placed on an actuarial basis the record of the members' contributions since January, 1927 to the current date will be immediately available; (2) it will afford the members who have retired the information necessary in preparing their income tax returns.

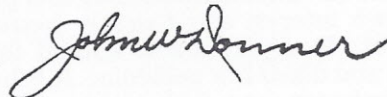
The internal revenue bureau has ruled that no deductions shall be made from the pensions paid to the members of this system for withholding tax and that members retired upon service pensions will be required to report their income for each calendar year before March 15 of the succeeding year. Neither disability or dependents' pensions are taxable under the federal personal income tax laws.

ORGANIZATION

The Department of Pensions is governed by the provisions of Article 17 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 thirteen persons classified as 1 accountant, 1 senior clerk, 1 general clerk, 4 senior clerk stenographers, 2 legal stenographers, 1 clerk stenographer, 1 clerk typist, and 2 deputy city attorneys.

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
FIRE AND POLICE PENSION FUND
BALANCE SHEET
At June 30, 1943 as Compared With June 30, 1942
EXHIBIT I**

Twenty

	ASSETS			
	June 30, 1943		June 30, 1942	
Cash				
Deposits with Treasurer.....	\$ 752,168		\$ 1,328,662	
Petty Cash	50		50	
Total Cash		\$ 752,218		\$ 1,328,712
Accounts Receivable		391		
Taxes Receivable		273,224		
Investments				
Street Bonds—Unmatured	\$ 483,536		\$ 608,900	
Street Bonds—Matured	55,249	\$ 83,477		
Less:				
Reserve, Bonds Matured	8,524	46,725	8,524	74,953
Bond Investments	13,944,000		12,951,000	
Certificates of Sale	104,121		124,669	
Treasurer's Deeds	393,036		429,762	
Mortgages	766		834	
Trust Deeds Receivable	21,366		21,794	
Agreements Receivable	19,603		24,174	
Real Property, Improved	516,143		513,788	
Real Property, Unimproved	852,780		788,321	
	\$16,382,076		\$15,538,195	
Bond Premiums and Discount.....	560,185		773,032	
TOTAL INVESTMENTS		\$16,942,261		\$16,311,227
Accrued Interest				
Current	\$ 155,413		\$ 181,355	
Delinquent	7,809	163,222	10,074	191,429
Quiet Title Cost, Prepaid.....		3,390		3,030
TOTAL ASSETS		\$18,134,706		\$17,834,398

**CITY OF LOS ANGELES
FIRE AND POLICE PENSION FUND
BALANCE SHEET—Continued
At June 30, 1943 as Compared with June 30, 1942
EXHIBIT I**

	LIABILITIES	
	June 30, 1943	June 30, 1942
Accounts Payable	\$ 35	\$ 254
Prepaid Payments, Street Bonds.....	952	952
Partial Payments, Street Bonds.....	7,532	10,291
Reserve, Bond Interest	\$ 7,809	\$ 10,074
Reserve, Interest, Other Investments....	337,874	341,812
Reserve, Investment Losses	1,001,292	691,803
Surplus—Reserve	<u>16,779,212</u>	<u>16,779,212</u>
	\$18,126,187	\$17,822,901
TOTAL LIABILITIES	<u><u>\$18,134,706</u></u>	<u><u>\$17,834,398</u></u>

STATEMENT OF OPERATIONS COMPARED
Fiscal Years 1936-37 to 1942-43, Inclusive
EXHIBIT II

Twenty-two

	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38	1936-37
Revenue							
Taxes	\$1,437,760	\$1,346,011	\$ 757,118	\$ 63,801	\$1,232,676	\$1,023,285	\$1,013,712
Interest	457,069	492,739	548,547	594,734	648,729	620,491	609,494
Rental of Property	19,178	21,052	20,907	20,913	18,512	14,479	5,766
Members' Contributions	407,478	406,263	392,937	392,498	406,188	408,062	396,107
Sales—Unclaimed Property	9,528	6,827	4,801	5,765	5,374	5,005	4,097
Bonus	1,556	2,466	3,385	1,267	2,084	3,152	3,982
Donations	592	617	608	692	595	602	594
Miscellaneous	84	257	119,677	327	255	3,269	79
TOTAL REVENUES	\$2,333,245	\$2,276,232	\$1,847,980	\$1,079,997	\$2,314,413	\$2,078,345	\$2,033,831
Balance from Prior Years	\$	\$	\$ 96,419	\$ 749,967	\$	\$	\$
Total Available Resources	\$2,333,245	\$2,276,232	\$1,944,399	\$1,829,964	\$2,314,413	\$2,078,345	\$2,033,831
Expenditures							
Pensions Paid:							
Service	\$1,717,071	\$1,347,008	\$1,114,127	\$ 946,322	\$ 818,557	\$ 753,739	\$ 697,834
Disability	321,088	321,781	314,336	315,378	308,680	296,931	273,473
Widows	453,256	408,570	386,488	356,046	329,837	297,684	266,611
Minors	51,238	49,772	53,729	49,038	45,325	39,509	31,133
Dependents	11,003	10,032	10,032	9,607	14,532	7,449	7,842
Total Pensions	\$2,553,656	\$2,137,163	\$1,878,712	\$1,676,391	\$1,516,931	\$1,395,312	\$1,276,893
Total Administrative Expense (Schedule 1)	\$ 52,813	\$ 53,798	\$ 48,566	\$ 40,905	\$ 39,333	\$ 36,469	\$ 31,824
TOTAL EXPENDITURES	\$2,606,469	\$2,190,961	\$1,927,278	\$1,717,296	\$1,556,264	\$1,431,781	\$1,308,717
SURPLUS	\$ 273,224†	\$ 85,271	\$ 17,121	\$ 112,668	\$ 758,149	\$ 646,564	\$ 725,114
Operating Adjustments .....	.....	.....	17,121	16,249	8,182	220,210	8,814
NET OPERATING SURPLUS	\$ 273,224†	\$ 85,271	\$	\$ 96,419*	\$ 749,967*	\$ 426,354	\$ 716,300

* Balance carried forward to next fiscal year.

† Expenditures in excess of Revenues.

Section 186 of the Charter provides that in the event tax revenues in any year are not sufficient to pay expenditures for such year, additional tax revenues must be levied in the succeeding year in order to meet such excess liabilities

**ADMINISTRATIVE EXPENSE COMPARED
SCHEDULE 1**

OPERATING EXPENSE

	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38	1936-37
Salaries.....	\$35,001	\$32,062	\$29,257	\$25,972	\$26,048	\$25,005	\$22,912
Office.....	711	656	689	499	430	266	304
Printing.....	656	595	516	392	616	459	415
Postage.....	160	200	160	163	139	160	129
Surety and Insurance Premiums.....	1,019	921	978	939	1,531	1,186	920
Medical Examinations.....	4,757	6,392	4,220	5,457	5,022	4,164	3,787
Mileage.....	197	243	150	1	12	197	14
Telephone.....	716	753	620	257	257	269	230
Auto Repairs and Supplies.....	214	303	253	194	238	308	133
Miscellaneous.....		29	633	480	867	1,603	902
Litigation Cost.....	2,204	2,163	432	376		1,181	209
Property Maintenance.....	1,982	4,449	4,470	2,156	3,229	1,471	1,230
Lot Cleaning.....	555						
Investment Expense.....	4,000	4,000	3,000	3,000			
Investigation Expense.....	387	395					
Equipment, Furniture and Fixtures.....	254	637	3,188	1,019	944	200	639
TOTAL EXPENSE.....	\$52,813	\$53,798	\$48,566	\$40,905	\$39,333	\$36,469	\$31,824

STATEMENT OF CASH RECEIPTS AND DISPOSITION THEREOF

Fiscal Years 1936-37 to 1942-43 Compared

SCHEDULE 2

	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38	1936-37
Total Receipts and Revenue.....	\$6,185,240	\$4,452,887	\$6,706,511	\$2,610,293	\$2,676,085	\$2,708,569	\$2,511,139
Deduct:							
Revenue (Exhibit I).....	2,333,245*	2,276,232	1,728,719	1,079,997	2,314,413	2,078,345	2,033,831
Adjustments:							
Accrued Interest.....	25,090	3,199*	57,633	59,379	43,354	51,409	57,786
Surplus Reserve.....				69	443	5,042*	2,157
Bond Premiums, Amortized.....	18,576	28,228	30,543				
Refunds, Advertising Cost.....		39	55		5	80	75
Refund, Quiet Title Cost.....			22		112	45	67
Reserve, Investment Losses.....				32,566			
Taxes, 1942-43.....			75,495*	75,495			
Bonus, Street Improvement Bonds.....		50	245*				
Total Operating Receipts.....	\$2,376,911	\$2,301,350	\$1,741,232	\$1,247,506	\$2,358,327	\$2,124,837	\$2,093,916
INVESTMENT RECEIPTS.....	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$ 317,758	\$ 583,732	\$ 417,223
Analysis—Investment Receipts							
Bond Investments (Par Value).....	\$3,087,000	\$1,547,400	\$4,035,675	\$1,055,975	\$ 32,375	\$ 228,675	\$ 23,375
Bond Investment Bond Premiums.....	228,408	149,159	173,061	101,406			
Street Improvement Bonds (Par Value).....	118,025	150,939	184,419	166,710	258,169	329,939	370,741
Certificates of Sale Redeemed.....	271	120	374	3,293	8,373	13,250	14,920
Treasurer's Deeds Redeemed.....		291	1,916		10,184	422	2,826
Real Property Sales.....	4,223	2,772	15,351	18,358	4,623	5,000	
Agreements, Installments.....	21,297	21,478	19,098	5,902	4,024	6,088	5,148
Partial Payments—S. I. B.....	23,588	18,345	9,364	11,143			
Pension Rebates.....	183				10	358	213
Reserve, Investment Losses.....	325,334	261,033	526,021				
TOTALS.....	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$317,758	\$ 583,732	\$ 417,223

*Additions.

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF

Fiscal Years 1936-37 to 1942-43 Compared

SCHEDULE 3

	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38	1936-37
Total Disbursements.....	\$6,761,734	\$5,969,681	\$5,035,234	\$2,267,630	\$1,898,813	\$2,749,808	\$2,523,357
Deduct:							
Expenditures Less Encumbrances \$35.00 (Exhibit 2).....	2,606,435	2,190,707	1,927,278	1,717,296	1,556,264	1,431,781	1,308,717
Adjustments:							
Prepaid Interest.....	9,928	11,170	13,868	1,682	4,785	7,455	7,143
Furniture and Fixtures.....	.....	.....	.....	.....	.....	393	244
Refund, Partial Payments.....	44	71	20	.....	.....	.....	.....
Refund, Prepaid Payments.....	.....	.....	243	.....	.....	.....	.....
Miscellaneous.....	.....	135	70,000	1,532	726	165	90
Total Operating Deductions.....	\$2,616,407	\$2,202,083	\$2,011,409	\$1,720,510	\$1,561,775	\$1,439,794	\$1,316,194
CAPITAL INVESTMENTS.....	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038	\$1,310,014	\$1,207,163

ANALYSIS—CAPITAL INVESTMENTS

Bond Investments, Par Value.....	\$4,083,000	\$3,623,000	\$2,855,000	\$ 530,000	\$ 299,000	\$1,150,000	\$ 996,000
Bond Investments, Bond Premiums.....	40,276	115,419	162,799	6,747	34,071	156,105	205,335
Certificate of Sale Cost.....	24	275	172	.....	86	324	990
Treasurer's Deed Cost.....	90	44	122	.....	14	162	294
Purchase Other Bonds, Real Property.....	20,284	28,383	5,222	9,698	.....	.....	.....
Real Property Cost.....	150	360	510	.....	2,404	768	209
Quiet Title Cost.....	1,463	117	.....	675	1,463	2,655	4,335
Certificate of Sale, Quitclaim Deeds.....	40	.....	.....	.....	.....	.....	.....
TOTAL.....	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038	\$1,310,014	\$1,207,163

RESERVE, INVESTMENT LOSSES

Operation Adjustments

SCHEDULE 4

Balance, June 30, 1942.....			\$ 691,802.70
DEDUCTIONS:			
Loss, Principal District Bonds Sold.....	\$	3,000.00	
Loss, Premiums District Bonds Sold.....		1,200.04	
Loss, Premiums Corporate Bonds Called.....		4,005.76	
Street Bond Principal Transferred to Agreements.....		143.13	
Loss, Premiums Municipal Bonds Sold.....		935.10	
Loss, Sale of Real Property.....		1,460.66	
Loss, Certificate of Sale and Treasurer's Deeds Transferred to Agreements.....		7,506.89	
Street Improvement Bonds Foreclosed (Coupons due July 1, 1942).....		742.75	
TOTAL DEDUCTIONS.....			<u>18,994.33</u>
			\$ 672,808.37
ADDITIONS:			
Accounts Receivable, Agreements Cancelled.....	\$	391.00	
Principal Payments in Agreements Transferred to Real Property.....		495.27	
Profit, Sale of Real Property.....		2,212.94	
Sale of Other Bonds, Agreements Receivable.....		49.88	
Profit, Sale of Other Bond Investments.....		325,334.52	
TOTAL ADDITIONS.....			<u>328,483.61</u>
Balance, June 30, 1943.....			<u><u>\$1,001,291.98</u></u>

**ANALYSIS OF BONDS CLASSIFIED
EXCLUSIVE OF STREET BONDS
July 1, 1940 to June 30, 1943
SCHEDULE 5**

	Balance 6-30-40	Purchase.	Sales	Maturities	Balance 6-30-43	Per Cent
Los Angeles General Obligation.....	\$ 1,290,000	\$	\$ 734,000	\$	\$ 556,000	3.99
Los Angeles Chamber of Commerce.....	80,000	.....	.....	.....	80,000	.57
Los Angeles City School District.....	1,323,500	.....	754,500	13,000	556,000	3.99
Metropolitan Water District.....	249,000	.....	.....	.....	249,000	1.79
California Municipalities.....	898,375	.....	704,375	8,000	186,000	1.33
Municipal Improvement District.....	448,000	.....	408,500	39,500	.....	.....
State of California.....	1,305,000	.....	1,305,000	.....	.....	.....
California School District.....	926,400	.....	637,400	15,000	274,000	1.97
California District.....	875,000	.....	245,000	.....	630,000	4.52
	<u>\$ 7,395,275</u>	<u>\$</u>	<u>\$ 4,788,775</u>	<u>\$ 75,500</u>	<u>\$ 2,531,000</u>	<u>18.16%</u>
Eastern Districts.....	\$ 200,000	\$	\$	\$	\$ 200,000	1.43
Eastern Municipalities.....	1,816,000	150,000	1,256,000*	100,000	610,000	4.37
Southern Municipalities.....	165,000	.....	115,000	.....	50,000	.36
U. S. Government.....	2,413,400	6,513,000	1,928,400	.....	6,998,000	50.19
Industrials.....	.....	250,000	.....	.....	250,000	1.79
Public Utilities.....	.....	3,440,000	319,000†	.....	3,121,000	22.38
Railroads.....	.....	208,000	24,000‡	.....	184,000	1.32
	<u>\$ 11,989,675</u>	<u>\$ 10,561,000</u>	<u>\$ 8,431,175</u>	<u>\$ 175,500</u>	<u>\$ 13,944,000¶</u>	<u>100.00%</u>

* \$ 50,000 called
† 304,000 called
‡ 24,000 called
¶ Book Value as of 6-30-43 was.....\$14,507,143.04
Appraised Market Value was.....\$15,293,710.00

BOND DISTRIBUTION

SCHEDULE 6

LOS ANGELES CITY GENERAL OBLIGATIONS.....			\$ 556,000
Los Angeles City Hall, 4½'s	1964	\$ 15,000	
Los Angeles Fireboat, 4¾'s	1955/57	15,000	
Los Angeles Harbor Improvements, 4¾'s	1955/61	295,000	
Los Angeles Playground, 4¾'s	1955/56	26,000	
Los Angeles Sewer Disposal, 5's	1959/62	40,000	
Los Angeles Viaduct, 4¾'s	1960	25,000	
Los Angeles Water, 4¾'s	1959/72	105,000	
Los Angeles Water, 5's	1961	35,000	
LOS ANGELES CHAMBER OF COMMERCE, 4's	1957		80,000
LOS ANGELES CITY SCHOOL DISTRICT.....			556,000
Huntington Park City School Dist., 5's	1952/66	153,000	
Huntington Park Union High School District, 5's	1953/57	120,000	
Jefferson School District, 5's	1951/61	27,000	
Los Angeles School District, 4¾'s	1962	30,000	
Los Angeles School District, 5½'s	1956/59	45,000	
Los Angeles High School District, 4¾'s	1954/61	48,000	
Los Angeles High School District, 5's	1954/63	43,000	
Maywood School District, 5½'s	1955/64	50,000	
Venice School District, 5's	1948/54	25,000	
Venice Union High School District, 5's	1958/59	15,000	
METROPOLITAN WATER DISTRICT, 4's	1979/80		249,000
CALIFORNIA MUNICIPALITIES			186,000
Arcadia Water, 5's	1961/66	30,000	
Montebello Park and Natatorium, 5's	1943/66	34,000	
Monterey Park Water Works, 6's (\$500 bonds).....	1954/61	38,000	
San Francisco Water, 4½'s	1963	84,000	

CALIFORNIA SCHOOL DISTRICTS			274,000
Beverly Hills School District, 5's	1965/66	20,000	
Burbank School District, 5's	1954/57	38,000	
Burbank High School District, 5's	1950/62	81,000	
Glendale School District, 5's	1954/62	45,000	
La Ballona School District, 5's	1955/66	60,000	
Ranchito School District, 5½'s	1949/55	30,000	
CALIFORNIA DISTRICTS			630,000
East Bay Utility District, 5's	1969/72	260,000	
County of Los Angeles Flood Control, 5's	1956/61	204,000	
County of Los Angeles Sanitation District No. 1, 5½'s	1952/65	51,000	
County of Los Angeles Sanitation District No. 2, 5½'s	1955/65	65,000	
County of Los Angeles Sanitation District No. 5, 5's	1960/63	20,000	
County of Los Angeles Sanitation District No. 5, 5½'s	1949/56	30,000	
EASTERN DISTRICTS			200,000
Triborough Bridge Authority, 3¼'s	1980	200,000	
EASTERN MUNICIPALITIES			610,000
Montgomery County, Md. 4½'s	1965	10,000	
City of New York, 4¼'s	1964/81	600,000	
SOUTHERN MUNICIPALITIES			50,000
New Orleans, La., 4½'s	1971	50,000	
UNITED STATES GOVERNMENT			6,998,000
U. S. Treasury Bonds, 2½'s	1972/67	1,500,000	
U. S. Treasury Bonds, 2½'s	1958/56	300,000	
U. S. Treasury Bonds, 2½'s (Defense Saving).....	1953/55	250,000	
U. S. Treasury Bonds, 2¾'s	1959/56	140,000	
U. S. Treasury Bonds, 2⅞'s	1960/55	425,000	
U. S. Treasury Bonds, 2¼'s	1955/52	400,000	
U. S. Treasury Bonds, 2½'s (Registered).....	1967/62	500,000	
U. S. Treasury Bonds, 2's	1951/49	1,000,000	
U. S. Treasury Bonds, 2's	1952/50	1,975,000	
U. S. Treasury Bonds, 1¾'s	1948	500,000	
U. S. Treasury Bonds, 1½'s	1947	8,000	

BOND DISTRIBUTION (Continued)

SCHEDULE 6

Thirty

CORPORATES			\$ 3,555,000
American Tel. & Tel. (Convertible Deb. 3's)	1956	200,000	
American Tel. & Tel., 3¼'s	1966	150,000	
American Tel. & Tel., 3¼'s	1961	100,000	
Boston Edison, 2¾'s	1970	100,000	
Central Maine Power, 3½'s	1970	200,000	
Cleveland Elec. Illuminating, 3's	1970	150,000	
Commonwealth Edison, 3½'s	1968	146,000	
Consolidated Gas of Baltimore, 3's	1969	150,000	
Consumers Power, 3¼'s	1969	150,000	
Detroit Edison, 3's	1970	150,000	
Duluth, Missabe and Iron Range, 3½'s	1962	134,000	
Illinois Bell Tel., 2¾'s	1981	150,000	
Jersey Central Power, 3½'s	1965	200,000	
Pacific Gas & Elec., 3¾'s	1961	100,000	
Pennsylvania Power & Light, 3½'s	1969	200,000	
Public Service Elec. & Gas, 3's	1972	75,000	
Southern Bell Tel., 3's	1979	150,000	
Public Service of Colo., 3½'s	1964	150,000	
Texas Corporation, 3's	1965	250,000	
Union Pacific, R.R. 1st, 3½'s	1980	50,000	
Wisconsin Public Service, 3¾'s	1971	150,000	
Wisconsin Power & Light, 3¼'s	1971	150,000	
Public Service of Indiana, 3¾'s	1973	100,000	
Public Service of New Hampshire, 3¼'s	1973	200,000	
TOTAL PAR VALUE			<u>\$13,944,000</u>

STREET IMPROVEMENT BONDS

June 30, 1943

SCHEDULE 7

	Year of Maturity	Matured Principal Delinquent	Matured Principal Under Agreements	Unmatured Principal	Total
Vermont Avenue, Series 25	1943/57	\$	\$ 1,022.83	\$ 5,887.68	\$ 6,910.51
Gower Street, Series 7	1943/57	.....	.....	2,219.93	2,219.93
Myra Avenue, Series 3	1943/57	120.54	.....	3,067.33	3,187.87
Fourth Street, Series 25	1943/57	.....	.....	4,054.36	4,054.36
Avenue 60, Series 3 .....	.....	10.00	115.10	.....	125.10
Olive Street, Series 10	1943/58	.....	7,055.16	22,892.53	29,947.69
Olive Street, Series 9	1943/58	3,209.22	7,403.53	17,493.88	28,106.63
La Brea Avenue, Series 13	1943/58	.....	939.40	17,927.74	18,867.14
Virgil Avenue, Series 11	1943/58	241.47	.....	37,829.52	38,070.99
Western Avenue, Series 19	1943/59	1,536.47	.....	38,673.23	40,209.70
Broadway, Series 16	1943/59	265.90	733.11	35,144.12	36,143.13
Beverly Boulevard, Series 13	1943/59	.....	1,542.05	16,230.93	17,772.98
Washington Street, Series 15	1943/59	.....	8,593.73	68,767.93	77,361.66
Manchester Avenue, Series 6	1943/59	114.65	217.56	68,405.70	68,737.91
Franklin Avenue, Series 12	1943/59	.....	.....	2,759.42	2,759.42
Coldwater Canyon, Series 1 .....	.....	3,377.45	1,614.09	.....	4,991.54
Windward Avenue, Series 1 .....	.....	4,064.60	.....	.....	4,064.60
Flower Street, Series 7	1943/60	.....	.....	3,311.05	3,311.05
Franklin Avenue, Series 13	1943/60	.....	.....	1,287.92	1,287.92
Silver Lake Boulevard, Series 3	1943/60	48.57	116.52	8,464.07	8,629.16
La Brea Avenue, Series 20	1943/60	.....	.....	30,174.89	30,174.89
Echo Park Terrace, Series 1	1943/50	.....	.....	469.51	469.51
Slauson Avenue, Series 10	1943/60	.....	.....	19,220.32	19,220.32
Temple Street, Series 12	1943/60	1,139.89	3,080.06	68,375.92	72,595.87
Sepulveda Boulevard, Series 2	1943/61	40.50	.....	5,649.36	5,689.86
Figueroa Street, Series 24	1943/60	.....	122.40	5,229.18	5,351.58
		\$ 14,169.26	\$ 32,555.54	\$483,536.52	\$530,261.32

Note: Total of matured coupons as of June 30, 1943 amounted to \$46,724.80.

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 ($1\frac{2}{3}\%$) 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 $\frac{1}{2}$ of this charter.

Sec. 181 $\frac{1}{2}$. 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 ($1\frac{2}{3}\%$) 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 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 (½) 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 life-

time 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 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

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as in this section defined, and to all members of said departments who have been heretofore granted pensions.

Section 186 of the City Charter is hereby amended to read as follows:

Sec. 186. For the purpose of providing for the payment of pensions, the expense of said Department of Pensions, and maintaining a reserve for said purposes henceforth, a fund is hereby created, to be known as the Fire and Police Pension Fund, which shall consist of all moneys heretofore paid into and all moneys, property, and investments now in the Fire and Police Pension Fund, and all moneys hereafter paid into said fund in accordance with the provisions of this Charter and of this section.

In order that the Council may be advised as to the amount of the tax levy required to be made by the provisions of this section, the Board of Pension Commissioners shall annually and not later than the first day of June of each year prepare and transmit to the Council a statement consisting of and including only the following items:

(1) The estimated requirements for the next succeeding fiscal year to pay and discharge (a) disability pensions, (b) widows' pensions, (c) minors' pensions, (d) dependents' pensions, and (e) the expense of said Department of Pensions; and,

(2) A sum equal to four per centum of the estimated total payrolls of the Fire and Police Departments for those members of said departments included within the pension provisions of this article for the next succeeding fiscal year.

In addition to the foregoing, in the event that all payments made and to be made from said Fire and Police Pension Fund during any current fiscal year shall exceed the total amount paid into said fund from all sources, then there shall be included in such statement a sum equal to the difference between the amount of moneys paid and estimated to be paid from said Fire and Police Pension Fund during the said current fiscal year and all moneys received and anticipated to be received into said fund during said fiscal year.

The Council shall annually levy a tax clearly sufficient to produce a sum in the total amount of all of the items set forth in the statement required to be prepared by the Board of Pension Commissioners as hereinabove provided.

In addition to the receipts from taxes levied pursuant to the provisions of this section and the deductions from the salaries of the members of the Fire and Police Departments as provided for in Section 186½ hereof, 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 money 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.

All moneys paid into said fund during any fiscal year and not expended during said fiscal year for the payment of pensions or the expense of the Department of Pensions shall become a part of and be added to said reserve in said fund.

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. Inoperative.

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.

Sec. 17. Notwithstanding any other provision of this charter, every officer or employee called into active service in the armed forces of this state or of the United States, during time of war or for ordinary periods

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of training or for extended periods of training during the time of any limited or other national emergency as declared by the President or the Congress of the United States or the Governor of the State of California, shall, during the period of such service, but not exceeding five years of such service, and for a period of ninety (90) days from and after his discharge or release from such service, be considered as being on leave of absence from the service of the City of Los Angeles, provided that no such leave of absence shall be allowed in the case of any person who is dishonorably discharged from the service to which he was called. Such leave shall be designated as "military leave" and shall be so noted on all records of the employment of said officer or employee. Every such officer or employee returning to the service of the city from military leave within the time hereinabove designated shall be restored to the same rank and position held by him at the time of the commencement of his military leave, or to such other rank and position to which he would be or would have been entitled under the provisions of Section 125 of this charter in the event any change of personnel within the contemplation of said charter section has occurred during the period of his military leave, it being the intent of this provision to provide for the reemployment of persons absent on account of military leave, without prejudice on account of their absence from the city service during the period of such leave; provided, nevertheless, that any such person is not, upon such return, either physically or mentally incapacitated from performing the duties of the office or position to which he is entitled to be restored. All military leave herein provided for shall be without pay or compensation except to the extent that such pay or compensation is now or may hereafter be authorized and provided for by state law, this charter, or by ordinance.

In addition to credit for time served in the United States Army, Navy, Marine Corps, and any division thereof, in time of war as allowed under the existing provisions of Sec. 189 and subdivision (d) of Sec. 513, credit shall be given for periods of military leave as provided in this section to the same extent and with like force and effect as now allowed for war service under the charter sections hereinabove mentioned.

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 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 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.