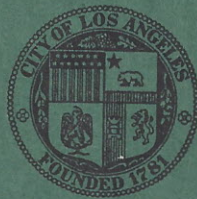


ANNUAL REPORT
OF THE
BOARD of PENSION COMMISSIONERS

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1944

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, 1944

With

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

October 11, 1944

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, 1944.

Respectfully submitted,

BOARD OF PENSION COMMISSIONERS,

John W. Donner,
Secretary.

Personnel of the
BOARD OF PENSION COMMISSIONERS

PHILIP STEPHENS, M. D., President
(Term expires July 1, 1948)

C. JEROME CABLE, Vice President
(Term expires July 1, 1949)

CORNELIUS P. HILL
(Term expires July 1, 1947)

JAMES SHELDON RILEY
(Term expires July 1, 1946)

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

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 1943-44 is submitted herewith. Included therein are financial and operating statements of the Fire and Police Pension Fund for the period ended June 30, 1944, compared with corresponding figures for the fiscal year ended June 30, 1943. Certain brief comments are also given which are considered pertinent to a clear understanding of such items.

During the fiscal year ended June 30, 1944, 389 petitions for pensions were received. On July 1, 1943, 35 petitions were pending, making a total of 424 petitions to be acted upon, of which number 394 were granted, 2 denied, 2 filed, 4 withdrawn, and 22 pending at June 30, 1944. During the same period 51 pensions were discontinued. Adding the net increase of 343 to the 1,832 existing at the close of the last fiscal year gives a total of 2,175 beneficiaries of the Fire and Police Pension Fund. These segregated into various classes and comparisons of the fiscal year ending June 30, 1943, are set forth below:

	1942-43			1943-44		
	Fire	Police	Fire and Police	Fire	Police	Fire and Police
Service	571	679	1,250	712	859	1,571
Disability	80	126	206	81	129	210
Widows	125	220	345	131	229	360
Minors and Dependents.....	10	21	31	11	23	34
TOTAL	786	1,046	1,832	935	1,240	2,175

These changes in pension classifications are substantially analyzed as follows:

	Fire	Police	Total
Service			
Granted	151	194	345
Deaths	10	14	24
Deaths—Pending .....	.....	.....	.....
Withdrawn	3*	1*	4*
Denied	1*	.....	1*
TOTAL	141	180	321

	Fire	Police	Total
Disability			
Granted	4	6	10
Deaths	2	3	5
Adjusted	7*	3*	10*
Returned to Duty.....	1		1
Filed	1*		1*
Denied		1*	1*
TOTAL	142	183	325
Widows			
Granted	11	23	34
Death	2	8	10
Adjusted	7*	9*	16*
Filed	1*		1*
Married	3	6	9
TOTAL	6	9	15
Minors and Dependents			
Granted	2	3	5
Discontinued	1	1	2
TOTAL	1	2	3

As of June 30, 1944, there were 233 members of the Fire Department and 169 members of the Police Department eligible for retirement. In addition there were 15 members of the Fire Department and 16 members of the Police Department now on Military Leave who would be eligible for retirement if they were restored to duty. It is interesting to note the change in the number of members eligible for retirement at the end of each fiscal year. The following statement represents by department the number eligible as of June 30, of each fiscal year.

	Fire	Police	Total
June 30, 1940.....	225	137	362
June 30, 1941.....	164	133	297
June 30, 1942.....	115	83	198
June 30, 1943.....	83	98	181
June 30, 1944.....	233	169	402

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

	Fire	Police	Total
June 30, 1940.....	70	27	97
June 30, 1941.....	76	45	141
June 30, 1942.....	79	185	264
June 30, 1943.....	74	203	277
June 30, 1944.....	151	194	345

During the fiscal year 1944-45, 173 members of the Fire Department and 369 members of the Police Department will become eligible for retirement. In addition there are 7 members of the Fire Department and 20 members of the Police Department now on Military Leave who will be eligible for retirement during the next fiscal year if they are restored to duty.

Military Leaves	Fire	Police	Total
1940-1941	12	18	30
1941-1942	40	88	128
1942-1943	210	372	582
1943-1944	47	67	114
TOTAL	309	545	854

	Fire	Police	Total
Returned from Military Leave.....	14	40	54
Killed in Action	2	4	6
TOTAL	293	501	794

As shown in the above schedule, a total of 854 men were called into Military Service during the four fiscal years beginning July 1, 1940, and ending June 30, 1944. Fifty-four men have returned to duty from Military Leave and six men were killed in action. The balance of 794 indicates the number of men on Military Leave at the close of June 30, 1944.

ASSETS

Cash \$ 838,241

The amount of cash on hand at the end of the fiscal year shows an increase of \$86,023 from a balance of June 30, 1943. It is necessary that an adequate amount of cash be carried to cover expenditures for pension payments until the first tax allocation is received in January, 1945.

Street Bonds—Unmatured \$ 398,659

This account represents unmatured principal coupons on bonds on which payments have been made for the past seventeen fiscal years.

Street Bonds—Matured \$ 21,468

As shown in Schedule No 7, this account is segregated between delinquent principal and principal payments being made under agreements. The total amount of \$21,468 represents the total principal coupons delinquent, and not the face value of bonds upon which there were delinquencies. Since June 30, 1943, these delinquent amounts have been reduced \$25,257.

It is further noted that \$13,963.96 or 65.04 per cent of these delinquencies are being redeemed under agreement payments and values of such delinquent amounts are 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 \$ 701,994

This account represents the amount of expenditures in excess of revenues for the fiscal year 1943-44. As shown in Exhibit 2, Statement of Operations Compared, the net operating surplus for the fiscal year 1943-44 shows a minus balance of \$701,994; 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 \$14,649,000

As shown in Schedule No. 5, this segregation represents general obligation, corporate, and government bonds. A recent appraisal of these securities by the investment counsellor indicated a market value of \$65,630 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 upon street improvement bonds foreclosed for which no actual account representation has as yet been made.

Certificates of Sale \$ 47,215

This segregation includes certificates of sale upon which treasurer's deeds have not been taken. The total of \$47,215 is stated as the face value of these certificates of sale and after deducting the reserve for interest in the amount of \$9,935, the balance of principal is \$37,280. At the beginning of the fiscal year there were forty-nine certificates of sale and during the

year one foreclosure was completed in the amount of \$2,314. Two certificates of sale were transferred to treasurer's deeds and nineteen to real property. Five of the remaining certificates are now under agreements with property owners for redemption in installment payments. Seven of the remaining certificates are to be written off because the value of the property, as compared with the total liens, does not warrant any further expenditure. There remain fifteen certificates of sale upon which it will be necessary to secure treasurer's deeds and then quiet title. Two certificates of sale overlap property upon which we hold treasurer's deeds.

Treasurer's Deeds \$ 243,341

This segregation includes one hundred twenty-eight treasurer's deeds on which quiet title actions have not been completed. The sum of \$243,341 is stated as the face value of these treasurer's deeds. After deducting reserve for interest in the amount of \$47,009, the principal balance amounts to \$196,332. At the beginning of the year, exclusive of treasurer's deeds upon which property owners are making installment payments, there were 172 treasurer's deeds to be made into real estate. During the year one such deed was redeemed in full and two additional deeds were secured by transfer from certificates of sale, leaving a net balance of one hundred seventy-three such deeds to be accounted for. Through the completion of quiet title actions and quitclaim deeds forty-five of these treasurer's deeds were made into real estate. Legal proceedings are under way as to sixty of the remaining treasurer's deeds and there remain but sixty-eight such deeds for future action.

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.

Mortgages \$ 688

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 \$ 29,364

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 seven new trust deeds received during this year.

Agreements Receivable \$ 14,088

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

Ten

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 no new agreements entered into during this period. During this fiscal year this account has been reduced by \$5,515 and is considered as being in excellent condition.

Real Property—Improved \$ 592,005

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 79 parcels. The net book value after deducting \$103,938 reserve for interest charges amounts to \$448,067. During the year, the sum of \$5,380 was expended for rehabilitation. \$15,952 was received from such properties in the form of rent.

Real Property—Unimproved \$ 945,879

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 329 parcels. The net book value after deducting \$166,249 reserve for interest charges amounts to \$779,630. During the year the expense of lot cleaning totaled \$329. \$4,472 was received from such properties in the form of rent.

Bond Premium and Discount \$ 349,590

This account represents premiums paid and discounts taken in connection with the purchase of all bonds except street improvement bonds 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 \$ 116,966

This account is segregated between current and delinquent interest. Current interest amounted to \$83,672 for bond investments and \$27,904 for street improvement bonds. Delinquent interest amounted to \$5,390 for street improvement bonds which is a decrease of \$2,419 from the amount of \$7,809 shown at June 30, 1943. There was no interest delinquent on bond investments at the end of the fiscal year.

Quiet Title Costs \$ 2,895

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 \$18,951,393

LIABILITIES

Accounts Payable \$ 1,665

This account is segregated into eight items of expense. This expense is segregated as follows: Office Expense, \$13; Litigation Expense, \$150; Property Maintenance, \$1,502.

Prepaid Payments \$ 952

This is a suspense account for cash payments received several years ago 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 \$ 3,257

The balance in this account represents the amounts paid that have not been cleared against the actual asset affected. This account shows a decrease of \$4,274 since the end of the last fiscal year.

Deposits on Real Property Sales \$ 9,460

This account represents deposits made by individuals which accompanies offers to purchase real property. These amounts are paid in advance of the opening of escrows.

Reserve for Bond Interest \$ 5,390

This amount represents interest delinquent at June 30, 1944, 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 \$ 327,130

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.

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 investment is made. At June 30, 1944, the reserve for certificates of sale amounted to \$9,935, treasurer's deeds \$47,009, and real property \$270,186. These items total \$327,130, and are herein treated as one account.

Reserve—Investment Losses \$ 1,824,327

This account represents the net profits from the sale of bonds and is strictly an evaluation reserve. These moneys are reinvested 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 June 30, 1943 was \$1,001,292. Excess of the proceeds of sales of bonds over original cost amounted to \$826,464 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 \$18,951,393

OPERATIONS

Investments

Changes in the classification of bonds other than street improvement bonds are indicated in Schedule No. 5. This schedule covers a four-year period beginning July 1, 1940 and ending June 30, 1944. It is noted that in the diversification of the bond portfolio, sales of bonds totaled \$12,117,175, and bond purchases totaled \$14,953,000 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 or in local improvement bonds.

In comparing the balances in the bond portfolio at June 30, 1944 with that of the fiscal year ended June 30, 1940, it is noted that the program of diversification during the four-year period shows a decrease in California securities of approximately 61.14%; investments in government bonds show an increase of approximately 48.66%. Holdings in industrial, public utilities, and railroad bonds total approximately 27.25% of the portfolio at the end of the fiscal year 1943-44, and all purchases in these classes of investments have been made in the past four fiscal years.

Interest Earnings

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 \$838,241. \$832,317 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, 1945, it becomes necessary to use this surplus cash to discharge current payments of pensions and administrative expense. As shown in Exhibit 2, expenditures for this fiscal year exceeded revenue in the amount of \$701,994, and it is estimated that this amount for the fiscal year 1944-45 will be approximately \$1,275,280. 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, 1944, this balance of unmatured principal had decreased to \$398,659, showing a reduction of \$744,525 during the four-year period.

In considering the earnings on street improvement bonds from July, 1929 to June 30, 1943, it is noted that \$2,613,306.61 in interest coupons matured. Disposition of this amount is as follows:

	Amount	Per Cent
Paid	\$ 2,307,557.65	88.30
Foreclosed	295,205.87	11.30
Charged Off	5,152.82	.20
Delinquent	5,390.27	.20
	\$ 2,613,306.61	100.00%

In addition, earned interest on unpaid principal amounted to \$192,264.35 and bonus on bonds paid in full before maturity amounted to \$43,077.85 from July 1, 1930 to June 30, 1944.

Street Improvement Bonds

The status of street improvement bonds as of June 30, 1944 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 \$6,521,233.79; the balance of unmatured principal of these bonds at June 30, 1944 was \$398,658.77; the difference representing principal coupons matured in the amount of \$6,122,565.02, disposition of which follows:

	Amount	Per Cent
Paid	\$4,370,845.72	71.39
Foreclosed	1,716,580.96	28.03
Charged Off	13,670.07	.23
Delinquent	21,468.27	.35
	\$ 6,122,565.02	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. \$1,118 of this amount has since been recovered, leaving a balance of \$8,434 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.

Street Lighting Assessments

The sum of \$2,222.31 was paid toward current street lighting assessments and delinquent assessments against properties for which sale had been authorized. In cases where total liens are greatly in excess of actual market value, the amount of these assessment liens is adjusted upon a pro-rata basis, with approval of the City Council. In summary, a total street lighting assessment debt of \$22,032.60 has been paid in full for the sum of \$15,906.74, which is 72.2% of the total amount, exclusive, in most cases, of penalties. These liens are being acquired as fast as tax and other bond liens can be purchased, and current assessments are being paid in full when due. There are street lighting liens outstanding against the unsold properties in the amount of \$23,628.60 as of June 30, 1944.

Taxes

Applications for the purchase of all tax liens are now being prepared. The difficulties which have for so long prevented the acquisition or cancellation of tax liens and the ready sale of properties have just about been solved. Title has been acquired upon 474 pieces of property. Taxes have been cancelled upon 228 pieces, redeemed in full in nine cases, tax deeds purchased in 35 cases and application filed for the purchase of 29 other tax deeds.

Other Bonds

During the year seventy-seven overlapping street bonds were purchased at a cost of \$9,838.96 or an average of 116 per cent of the principal of such liens. Several of these bonds were paid off, including interest and penalties, in the City Treasury in order to allow immediate sales.

In summary, other street bonds in the principal amount of \$103,788.33 have been purchased for the sum of \$59,130.59, or approximately 60 per cent of the principal involved. There are overlapping bonds still outstanding on 92 of the properties owned as of June 30, 1944 in the principal amount of \$14,534.53.

Real Property Sales

During the year fifty-seven pieces of property were sold. Several sales were authorized but were lost by reason of the unavoidable delay in obtaining tax title preparatory to completing the delivery of a merchantable title to the purchaser.

Twenty-three of these properties were improved and a net profit over all costs of \$17,735 was realized. Thirty-four were unimproved and a net loss of \$5,073 sustained. Costs included all direct items with no account being taken of the expenses of the legal division. The net profit of \$12,662 was arrived at as follows:

Sales		\$ 155,412
Our principal	\$ 116,987	
Legal costs	3,312	
Other bonds	8,388	
Lighting liens	3,375	
Taxes	9,013	
Sales Commission	1,675	142,750
Net Profit		\$ 12,662
Appraised value	\$138,425 — \$153,875	

Litigation

Pension litigation as such was not quite as voluminous as during the preceding year, although three new suits involving status, for pension purposes, may have far-reaching consequences.

During the year, Henry B. Dierkes, a policeman who for some years had been in the Fleet Reserve, was called into active service with the United States Navy. At the time he re-entered the Navy he had nineteen years of service in the Police Department. Having completed just one year in the naval service, he secured a temporary release from active duty and returned to the service of the Police Department for a few days—just long enough to apply for his service pension and then he returned to Navy

service. His application was denied upon the theory that he had not returned to the City service within the intent and meaning of Section 17 of the City Charter which provides for military leaves from the time of entry in the military service and for a period of ninety days from and after "discharge or release from such service." Mr. Dierkes brought an action in mandamus to compel the allowance of his pension upon the theory that his temporary release was such a discharge from the service as operated to terminate his military leave, make him eligible for restoration to duty and also entitle him to credit for the year spent in the military service toward the time required for service pension. The trial court decided against his contentions. The case is now pending on appeal. There are many men in the Fire and Police Department on military leave. Some forty-five or fifty either are or will in the very near future be eligible for pension if the contentions of Mr. Dierkes should be sustained by the appellate court.

The status of certain Fire Department employees is again the subject of litigation. Walter A. Giese, for many years an auto electrician, was appointed under civil service to the position of Superintendent of Automotive Equipment. Under the opinion of the City Attorney, he lost his status as a member of the Fire and Police Pension System and became eligible to the benefits of the City Employees' Retirement System as a result of this change in position, because in the new position there would be no duty to respond to alarms of fire. Mr. Giese first brought an action in mandate to compel his retirement as a member of the Fire and Police Pension System. Objections to the issuance of the writ in question were filed and no writ was issued. He then brought an action for declaratory relief to have his status in the new position determined. Inasmuch as Mr. Giese supervises the work of some twenty-five employees engaged in the repair and maintenance of automotive equipment for the Fire Department, we have asked the court to bring all of these employees into the action in order that all of their rights may be determined. If the courts should hold that the repair and maintenance of automotive equipment qualifies one for membership in the Fire and Police Pension System under Section 185 of the City Charter, all of these employees should be so considered.

The third action which may affect the Fund as such is one brought by Ray R. Young. Mr. Young, a policeman, who contributed to the Fund for some years, was discharged from the force. He has brought an action to compel the return to him of the amount deducted from his salary during the period of his employment under Section 186½ of the City Charter. This action has just been filed and has not been disposed of in the trial court.

In litigation involving the individual rights to the allowance of a pension, the case of **Cordell v. City of Los Angeles** is pending on appeal. In this action the trial court found a casual connection to exist between kidney trouble and death following an appendectomy, apparently upon the theory that discharge of duty as a fireman aggravated a pre-existing kidney condition. Our appeal in this matter is predicated upon the proposition that this finding could have been based only upon speculation and conjecture, as opposed to positive evidence having any probative value.

During the course of the year two suicide cases were disposed of. A case brought some time ago by one Dora Hill, the widow of a police suicide, was finally dismissed for lack of prosecution. The case of Lela B.

Platt was tried and the trial court gave judgment in favor of the Board, sustaining its action in denying her a pension. An appeal, however, is being prosecuted by her from this judgment. As of the present time, we have had two cases in which the courts have granted pensions to the widows of members, whose husbands committed suicide, and two cases in which the courts have sustained the action of the Board in denying such pensions.

Quiet Title Actions

During the course of the year thirteen quiet title actions, clearing title to property upon which liens for street improvement bonds had been foreclosed, were completed. Nine new quiet title actions were filed and there are now pending in various stages of completion sixty such legal proceedings.

The number of quiet title actions formally filed and concluded does not reflect the amount of work done or the progress made in settling questions of record title on foreclosed properties. In the last report we had occasion to note the impact of the Soldiers' and Sailors' Civil Relief Act upon foreclosure and quiet title procedure. Arising out of the fact that it is necessary to secure a title report and furnish an affidavit based upon personal contact with the record owner of a property in order to secure a Treasurer's Deed, it was found that in many instances quitclaim deeds could be secured and the record title cleared without the necessity of formally securing a Treasurer's Deed or filing a quiet title action. As to some actions already filed it was found that in making the contact in order to secure the affidavit of military status necessary to get a judgment of quiet title, a quitclaim deed could be secured. During the course of the year fifty-eight quitclaim deeds were secured, as well as nine other instruments such as releases of mortgage and satisfaction of liens necessary to the clearing of record title. Each instrument so secured does not necessarily clear the record title to a piece of property. On the other hand, in some instances one such instrument might clear title to more than one piece of property. The net result of accomplishment so far as the acquiring of title by deed is concerned is best reflected in the fact that forty-five of the sixty-three new properties set up on the Real Estate Ledger this year were the result of securing releases as opposed to formal judgment of quiet title.

Guardianships

During the course of the year the number of guardianships increased from 32 to 37, made up of 31 minor and 6 incompetents. We have continued the policy of following the annual accounts of these guardians in order to follow so far as we are able the ultimate disposition of funds paid on account of the pension.

Marital Records

We have continued throughout the year the policy of attempting to settle so far as we are able the marital status of members of the two departments retiring upon service or disability pensions in order that the status of the wife may be then settled so far as her claim to a widow's pen-

Eighteen

sion is concerned. This procedure is gradually being extended to members already upon the pension rolls in order to prevent both delay and embarrassment to surviving dependents.

Contributions

Records—The record of contributions for the Police Department has been completed to the current date, and it is estimated that the record for the Fire Department will be completed to the current year within the next three months.

During the calendar year 1944, a card system recording the amount of pensions paid for each individual monthly was installed. This recordation will show the information necessary for recording pensions paid for Federal and California State income tax, and will be kept by calendar years beginning January 1, 1944.

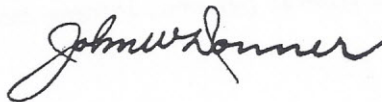
The internal revenue bureau has ruled that no deductions shall be made from the pensions paid to the members of this system for withholding tax and that members retired upon service pensions will be required to report their income for each calendar year before March 15 of the succeeding year. Neither disability or dependent's 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 eleven persons classified as 1 accountant, 1 senior clerk, 1 general clerk, 3 senior clerk stenographers, 1 clerk stenographer, 2 legal stenographers, and 2 deputy city attorneys. At the present time, 1 general clerk and 1 deputy city attorney are on military leave of absence.

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, 1944 as compared with June 30, 1943

Twenty

	ASSETS			
	June 30, 1944		June 30, 1943	
Cash				
Deposits with Treasurer.....	\$ 838,191		\$ 752,168	
Petty Cash	50		50	
Total Cash		\$ 838,241		\$ 752,218
Accounts Receivable.....				391
Taxes Receivable.....		701,994		273,224
Investments				
Street Bonds—Unmatured.....	\$ 398,659		\$ 483,536	
Street Bonds—Matured.....	\$ 29,902	\$ 55,249		
Less:				
Reserve, Bonds Matured.....	8,434	21,468	8,524	46,725
Bond Investments.....	14,649,000		13,944,000	
Certificates of Sale.....	47,215		104,121	
Treasurer's Deeds.....	243,341		393,036	
Mortgages.....	688		766	
Trust Deeds Receivable.....	29,364		21,366	
Agreements Receivable.....	14,088		19,603	
Real Property, Improved.....	592,005		516,143	
Real Property, Unimproved.....	945,879		852,780	
	\$16,941,707		\$16,382,076	
Bond Premiums and Discounts.....	349,590		560,185	
Total Investments.....		\$17,291,297		\$16,942,261
Accrued Interest:				
Current	\$ 111,576		\$ 155,413	
Delinquent	5,390	116,966	7,809	163,222
Quiet Title Costs, Prepaid.....		2,895		3,390
TOTAL ASSETS		\$18,951,393		\$18,134,706

**CITY OF LOS ANGELES
FIRE AND POLICE PENSION FUND
BALANCE SHEET—Continued
At June 30, 1944 as compared with June 30, 1943**

	LIABILITIES	
	June 30, 1944	June 30, 1943
Accounts Payable	\$ 1,665	\$ 35
Deferred Income:		
Prepaid Payments, Street Bonds.....	952	952
Partial Payments, Street Bonds.....	3,257	7,532
Deposits, Real Property Sales.....	9,460	
Reserve, Bond Interest.....	\$ 5,390	\$ 7,809
Reserve, Interest, Other Investments.....	327,130	337,874
Reserve, Investment Losses.....	1,824,327	1,001,292
Surplus—Reserve	16,779,212	16,779,212
	<u>18,936,059</u>	<u>18,126,187</u>
TOTAL LIABILITIES.....	<u><u>\$18,951,393</u></u>	<u><u>\$18,134,706</u></u>

STATEMENT OF OPERATIONS COMPARED
Fiscal Years 1937-38 to 1943-44 Inclusive

EXHIBIT II

	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38
Revenue							
Taxes	\$1,484,350	\$1,437,760	\$1,346,011	\$ 757,118	\$ 63,801	\$1,232,676	\$1,023,285
Interest	397,367	457,069	492,739	548,547	594,734	648,729	620,491
Rental of Property.....	20,424	19,178	21,052	20,907	20,913	18,512	14,479
Members' Contributions.....	424,817	407,478	406,263	392,937	392,498	406,188	408,062
Sales—Unclaimed Property.....	10,469	9,528	6,827	4,801	5,765	5,374	5,005
*Bonus	1,313	1,556	2,466	3,385	1,267	2,084	3,152
Donations	602	592	617	608	692	595	602
Miscellaneous	136	84	257	416	327	255	3,269
TOTAL REVENUES	\$2,339,478	\$2,333,245	\$2,276,232	\$1,728,719	\$1,079,997	\$2,314,413	\$2,078,345
Balance from Prior Years.....	\$.....	\$.....	\$.....	\$ 215,680-	\$ 749,967	\$.....	\$.....
Total Available Resources.....	\$2,339,478	\$2,333,245	\$2,276,232	\$1,944,399	\$1,829,964	\$2,314,413	\$2,078,345
Expenditures							
Pensions Paid:							
Service	\$2,116,279	\$1,717,071	\$1,347,008	\$1,114,127	\$ 946,322	\$ 818,557	\$ 753,739
Disability	339,513	321,088	321,781	314,336	315,378	308,680	296,931
Widows	464,573	453,256	408,570	386,488	356,046	329,837	297,684
Minors	57,113	51,238	49,772	53,729	49,038	45,325	39,509
Dependents	11,465	11,003	10,032	10,032	9,607	14,532	7,449
Total Pensions.....	\$2,988,943	\$2,553,656	\$2,137,163	\$1,878,712	\$1,676,391	\$1,516,931	\$1,395,312
Total Administrative Expense (Schedule 1).....	52,529	52,813	53,798	48,566	40,905	39,333	36,469
TOTAL EXPENDITURES.....	\$3,041,472	\$2,606,469	\$2,190,961	\$1,927,278	\$1,717,296	\$1,556,264	\$1,431,781
SURPLUS	\$ 701,994**	\$ 273,224**	\$ 85,271	\$ 17,121	\$ 112,668	\$ 758,149	\$ 646,564
Operating Adjustments.....	\$.....	\$.....	\$.....	\$ 17,121	\$ 16,249	\$ 8,182	\$ 220,210
NET OPERATING SURPLUS.....	\$ 701,994**	\$ 273,224**	\$ 85,271	\$.....	\$ 96,419*	\$ 749,967*	\$ 426,354

*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 I

OPERATING EXPENSE

	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38
Salaries	\$ 34,685	\$ 35,001	\$ 32,062	\$ 29,257	\$ 25,972	\$ 26,048	\$ 25,005
Office	563	711	656	689	499	430	266
Printing	772	656	595	516	392	616	459
Postage	175	160	200	160	163	139	160
Surety and Insurance Premiums.....	1,061	1,019	921	978	939	1,531	1,186
Medical Examinations.....	2,533	4,757	6,392	4,220	5,457	5,022	4,164
Mileage	194	197	243	150	1	12	197
Telephone	542	716	753	620	257	257	269
Auto Repairs and Supplies.....	215	214	303	253	194	238	308
Miscellaneous	27	.....	29	633	480	867	1,603
Litigation Cost	1,424	2,204	2,163	432	376	.....	1,181
Property Maintenance	5,380	1,982	4,449	4,470	2,156	3,229	1,471
Lot Cleaning.....	329	555	.....	.....	.....	.....	.....
Investment Expense	4,000	4,000	4,000	3,000	3,000	.....	.....
Investigation Expense.....	545	387	395	.....	.....	.....	.....
Equipment, Furniture and Fixtures.....	84	254	637	3,188	1,019	944	200
TOTAL EXPENSE.....	\$ 52,529	\$ 52,813	\$ 53,798	\$ 48,566	\$ 40,905	\$ 39,333	\$ 36,469

STATEMENT OF CASH RECEIPTS AND DISPOSITION THEREOF
Fiscal Years 1937-38 to 1943-44 Compared

SCHEDULE 2

	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38
Total Receipts and Revenue.....	\$7,577,769	\$6,185,240	\$4,452,887	\$6,706,511	\$2,610,293	\$2,676,085	\$2,708,569
Deduct:							
Revenue (Exhibit I).....	\$2,339,478	\$2,333,245	\$2,276,232	\$1,728,719	\$1,079,997	\$2,314,413	\$2,078,345
Adjustments:							
Accrued Interest.....	42,520	25,090	3,199*	57,633	59,379	43,354	51,409
Surplus Reserve.....					69	443	5,042*
Bond Premiums, Amortized.....	12,084	18,576	28,228	30,543			
Refunds, Advertising Cost.....			39	55		5	80
Refund, Quiet Title Cost.....	22			22		112	45
Reserve, Investment Losses.....					32,566		
Taxes, 1942-43.....	273,225			75,495*	75,495		
Bonus, Street Improvement Bonds.....			50	245*			
Expense Abatements.....	201						
Total Revenue Receipts.....	\$2,667,530	\$2,376,911	\$2,301,350	\$1,741,232	\$1,247,506	\$2,358,327	\$2,124,837
CAPITAL RECEIPTS	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$ 317,758	\$ 583,732
Analysis—Capital Receipts:							
Bond Investments (Par Value).....	\$3,687,000	\$3,087,000	\$1,547,400	\$4,035,675	\$1,055,975	\$ 32,375	\$ 228,675
Bond Investments—Premiums.....	237,349	228,408	149,159	173,061	101,406		
Street Improvement Bonds (Par Value).....	89,731	118,025	150,939	184,419	166,710	258,169	329,939
Certificates of Sale Redeemed.....	8,000	271	120	374	3,293	8,373	13,250
Treasurer's Deeds Redeemed.....	118		291	1,916		10,184	422
Real Property Sales.....	21,036	4,223	2,772	15,351	18,358	4,623	5,000
Agreements, Installments.....	19,534	21,297	21,478	19,098	5,902	4,024	6,088
Partial Payments—S.I.B.....	10,226	23,588	18,345	9,364	11,143		
Pension Rebates.....		183				10	358
Reserve, Investment Losses.....	823,505	325,334	261,033	526,021			
Street Bond Principal, Recovered.....	195						
Deposit on Real Property Sales.....	9,735						
Profit, Real Property Sold.....	3,810						
TOTALS	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$ 317,758	\$ 583,732

* Additions

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF

Fiscal Years 1937-38 to 1943-44 Compared

SCHEDULE 3

	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39	1937-38
Total Disbursements.....	\$7,492,907	\$6,761,734	\$5,969,681	\$5,035,234	\$2,267,630	\$1,898,813	\$2,749,808
Deduct:							
Expenditures (Exhibit 2).....	\$3,041,472	\$2,606,469	\$2,190,961	\$1,927,278	\$1,717,296	\$1,556,264	\$1,431,781
Adjustments:							
Prepaid Interest	3,821	9,929	11,170	13,868	1,682	4,785	7,455
Furniture and Fixtures.....							393
Refund, Partial Payments.....		44	71	20			
Refund, Prepaid Payments				243			
Encumbrances	1,665*	35*	254*				
Miscellaneous	12		135	70,000	1,532	726	165
Expense Abatements.....	1,397						
Total Operating Deductions.....	\$3,045,037	\$2,616,407	\$2,202,083	\$2,011,409	\$1,720,510	\$1,561,775	\$1,439,794
CAPITAL OPERATIONS.....	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038	\$1,310,014
Analysis—Capital Operations:							
Bond Investments (Par Value).....	\$4,392,000	\$4,083,000	\$3,623,000	\$2,855,000	\$ 530,000	\$ 299,000	\$1,150,000
Bond Investments—Premiums.....	35,880	40,276	115,419	162,799	6,747	34,071	156,105
Certificates of Sale Cost.....	12	24	275	172		86	324
Treasurer's Deeds Cost.....	8	90	44	122		14	162
Purchase Other Bonds, Real Property.....	17,380	20,284	28,383	5,222	9,698		
Real Property Cost.....	980	150	360	510		2,404	768
Quiet Title Cost.....	1,340	1,463	117		675	1,463	2,655
Certificate of Sale, Quitclaim Deeds.....	40	40					
Treasurer's Deeds, Quitclaim Deeds.....	230						
TOTALS	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038	\$1,310,014

* Deductions

**RESERVE, INVESTMENT LOSSES
OPERATION ADJUSTMENTS
SCHEDULE 4**

Twenty-six

Balance, June 30, 1943.....			\$ 1,001,291.98
DEDUCTIONS:			
Loss, Certificate of Sale Sold.....	\$	9,079.41	
Loss, Sale of Real Property.....		5,140.28	
Street Improvement Bonds Foreclosed (Coupons due July 1, 1943).....		456.77	
Advertising Cost, Street Bond Foreclosure Cancelled		12.00	
Accounts Receivable Cancelled.....		391.00	
		15,079.46	
TOTAL DEDUCTIONS.....			\$ 986,212.52
 ADDITIONS:			
Profit, Sale of Real Property.....	\$	11,455.77	
Profit, Sale of Other Bond Investments.....		826,463.84	
Street Improvement Bond Principal, Recovered		90.27	
Treasurer's Deed Principal, Recovered.....		104.66	
		838,114.54	
TOTAL ADDITIONS			\$ 1,824,327.06
Balance, June 30, 1944.....			\$ 1,824,327.06

**ANALYSIS OF BONDS CLASSIFIED
EXCLUSIVE OF STREET BONDS**

July 1, 1940 to June 30, 1944

SCHEDULE 5

	Balance 6-30-40	Purchases	Sales	Maturities	Balance 6-30-44	Per Cent
Los Angeles General Obligation.....	\$ 1,290,000	\$	\$ 1,290,000	\$	\$	
Los Angeles Chamber of Commerce.....	80,000	.....	.....	.....	80,000	.54%
Los Angeles City School District.....	1,323,500	.....	1,310,500	13,000	.....
Metropolitan Water District.....	249,000	.....	249,000	.....	.....
California Municipalities.....	898,375	.....	889,375	9,000	.....
Municipal Improvement District.....	448,000	.....	408,500	39,500	.....
State of California.....	1,305,000	.....	1,305,000	.....	.....
California School District.....	926,400	.....	911,400	15,000	.....
California District.....	875,000	.....	875,000	.....	.....
	<u>\$ 7,395,275</u>	<u>\$</u>	<u>\$ 7,238,775</u>	<u>\$ 76,500</u>	<u>\$ 80,000</u>	<u>.54%</u>
Eastern Districts.....	\$ 200,000	\$	\$ 200,000	\$	\$	
Eastern Municipalities.....	1,816,000	150,000	1,366,000*	100,000	500,000	3.41%
Southern Municipalities.....	165,000	.....	165,000	.....	.....
U. S. Government.....	2,413,400	10,455,000	2,793,400	.....	10,075,000	68.78
Industrials.....	.....	250,000	.....	.....	250,000	1.71
Public Utilities.....	.....	3,890,000	322,000**	.....	3,568,000	24.36
Railroads.....	.....	208,000	32,000***	.....	176,000	1.20
	<u>\$11,989,675</u>	<u>\$14,953,000</u>	<u>\$12,117,175</u>	<u>\$ 176,500</u>	<u>\$14,649,000</u>	<u>100.00%</u>

* 50,000 Called

**307,000 Called

***32,000 Called

Book Value as of 6-30-44 was \$14,998,589.66

Appraised Market Value was \$15,064,220.00

BOND DISTRIBUTION

SCHEDULE 6

LOS ANGELES CHAMBER OF COMMERCE, 4's.....	1957		\$ 80,000	
EASTERN MUNICIPALITIES				
City of New York, 4¼'s.....	1974/81	\$ 500,000	500,000	
UNITED STATES GOVERNMENT				
U. S. Treasury Bonds, 2½'s.....	1972/67	1,500,000	10,075,000	
U. S. Treasury Bonds, 2½'s (Series G).....	1953/56	350,000		
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	100,000		
U. S. Treasury Bonds, 2's.....	1953/51	1,250,000		
U. S. Treasury Bonds, 2¼'s.....	1959/56	1,500,000		
U. S. Treasury Bonds, 2's.....	1954/52	1,000,000		
CORPORATES				
American Tel. & Tel. (Convertible Deb. 3's).....	1956	200,000		3,994,000
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	145,000		
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	126,000		
Illinois Bell Tel., 2¾'s.....	1981	150,000		
Jersey Central Power, 3½'s.....	1965	200,000		

BOND DISTRIBUTION (Continued)

SCHEDULE 6

Northern Ind. Pub. Service, 3 $\frac{1}{8}$'s.....	1973	100,000
Pacific Gas & Electric, 3 $\frac{3}{4}$'s.....	1961	100,000
Pennsylvania Power & Light, 3 $\frac{1}{2}$'s.....	1969	200,000
Public Service Electric & Gas, 3's.....	1972	75,000
Public Service of Colorado, 3 $\frac{1}{2}$'s.....	1964	200,000
Public Service of Indiana, 3 $\frac{1}{4}$'s.....	1973	200,000
Public Service of New Hampshire, 3 $\frac{1}{4}$'s.....	1973	200,000
Southern Bell Telephone, 3 $\frac{1}{2}$'s.....	1964	200,000
Southern Bell Telephone, 3's.....	1979	150,000
Texas Corporation, 3's.....	1965	250,000
Union Pac. R. R. 1st, 3 $\frac{1}{2}$'s.....	1980	50,000
Wisconsin Power & Light, 3 $\frac{1}{4}$'s.....	1971	150,000
Wisconsin Public Service, 3 $\frac{1}{4}$'s.....	1971	148,000
TOTAL PAR VALUE.....		<u>\$14,649,000</u>

STREET IMPROVEMENT BONDS

June 30, 1944

SCHEDULE 7

Thirty

	Year of Maturity	Matured Principal Delinquent	Matured Principal Under Agreements	Unmatured Principal	Total
Vermont Avenue, Series 25.....	1944/57	\$	\$ 1,022.83	\$ 4,209.38	\$ 5,232.21
Gower Street, Series 7.....	1944/57	.....	.....	1,725.55	1,725.55
Myra Avenue, Series 3.....	1944/57	120.54	.....	2,638.31	2,758.85
Fourth Street, Series 25.....	1944/57	.....	.....	3,510.63	3,510.63
Avenue 60, Series 3.....	.....	10.00	.....	.....	10.00
Olive Street, Series 10.....	1944/58	.....	.....	20,154.78	20,154.78
Olive Street, Series 9.....	1944/58	3,565.80	.....	15,498.72	19,064.52
La Brea Avenue, Series 13.....	1944/58	.....	536.80	15,902.04	16,438.84
Virgil Avenue, Series 11.....	1944/58	241.47	.....	27,271.33	27,512.80
Western Avenue, Series 19.....	1944/59	607.05	.....	29,706.27	30,313.32
Broadway, Series 16.....	1944/59	531.80	628.38	28,889.04	30,049.22
Beverly Boulevard, Series 13.....	1944/59	101.65	1,233.64	14,704.34	16,039.63
Washington Street, Series 15.....	1944/59	.....	6,611.13	58,340.47	64,951.60
Manchester Avenue, Series 6.....	1944/59	8.82	81.36	53,180.63	53,270.81
Franklin Avenue, Series 12.....	1944/59	.....	.....	2,103.73	2,103.73
Coldwater Canyon, Series 1.....	.....	.....	1,614.09	.....	1,614.09
Windward Avenue, Series 1.....	.....	1,699.30	.....	.....	1,699.30
Flower Street, Series 7.....	1944/60	.....	.....	3,031.63	3,031.63
Franklin Avenue, Series 13.....	1944/60	.....	.....	909.29	909.29
Silver Lake Boulevard, Series 3.....	1944/60	48.57	58.24	7,397.79	7,504.60
La Brea Avenue, Series 20.....	1944/60	91.50	.....	25,774.43	25,865.93
Slauson Avenue, Series 10.....	1944/60	.....	.....	17,480.73	17,480.73
Temple Street, Series 12.....	1944/60	433.44	2,177.49	56,597.03	59,207.96
Sepulveda Boulevard, Series 2.....	1944/61	44.37	.....	5,329.53	5,373.90
Figueroa Street, Series 24.....	1944/60	.....	.....	4,303.12	4,303.12
		\$ 7,504.31	\$ 13,963.96	\$398,658.77	\$420,127.04

Note: Total of matured coupons as of June 30, 1944, amounted to \$21,468.27.

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 ($\frac{2}{3}$) of the average monthly rate of salary which such member shall have received in such department during the three years immediately preceding the date of his retirement. Provided, that after twenty-five years' 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 ca-

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 ($\frac{1}{2}$) 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 remar-

ries, 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

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 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

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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.