

ANNUAL REPORT
OF THE
BOARD of PENSION COMMISSIONERS
CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1945

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, 1945

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CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

October 23, 1945

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 submit herewith its annual report for the fiscal year ended June 30, 1945, which report was adopted by said Board on October 16, 1945.

Very truly yours,

Board of Pension Commissioners,

JOHN W. DONNER,

Manager-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 expired July 1, 1945)

JOHN W. DONNER

Manager-Secretary

BOARD OF PENSION COMMISSIONERS

ANNUAL REPORT

October 8, 1945

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 1944-45 is submitted herewith. Included therein are financial and operating statements of the Fire and Police Pension Fund for the period ended June 30, 1945, compared with corresponding figures for the fiscal year ended June 30, 1944. Certain brief comments are also given which are considered pertinent to a clear understanding of such items.

During the fiscal year ended June 30, 1945, 377 petitions for pensions were received. On July 1, 1944, 22 petitions were pending, making a total of 399 petitions to be acted upon, of which number 368 were granted, 3 denied, 4 withdrawn, and 24 pending at June 30, 1945. During the same period 54 pensions were discontinued. Adding the net increase of 314 to the 2,175 existing at the close of the last fiscal year gives a total of 2,489 beneficiaries of the Fire and Police Pension Fund. These segregated into various classes and comparisons of the fiscal year ending June 30, 1944, are set forth below:

	1943-44			1944-45		
	Fire	Police	Fire and Police	Fire	Police	Fire and Police
Service.....	712	859	1,571	805	1,054	1,859
Disability	81	129	210	77	130	207
Widows	131	229	360	143	243	386
Minors and Dependents.....	11	23	34	14	23	37
TOTAL	935	1,240	2,175	1,039	1,450	2,489

These changes in pension classifications are substantially analyzed as follows:

	Fire	Police	Total
Service			
Granted	106	215	321
Deaths	13	20	33
Withdrawn	1*	3*	4*
TOTAL	93	195	288

	Fire	Police	Total
Disability			
Granted	1	4	5
Deaths	5	2	7
Increased	1*	---	1*
Decreased	1*	9*	10*
Returned to Duty	---	1	1
Denied	---	1*	1*
TOTAL	-4	1	-3
Widows			
Granted	18	20	38
Deaths	2	5	7
Decreased	5*	6*	11*
Remarried	2	3	5
Denied	---	2*	2*
TOTAL	14	12	26
Minors and Dependents			
Granted	3	1	4
Deaths	---	1	1
TOTAL	3	0	3

As of June 30, 1945, there were 312 members of the Fire Department and 332 members of the Police Department eligible for retirement. In addition there were 6 members of the Fire Department and 18 members of the Police Department now on military leave who are eligible for retirement. 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 the last five fiscal years:

	Fire	Police	Total
June 30, 1941.....	164	133	297
June 30, 1942.....	115	83	198
June 30, 1943.....	83	98	181
June 30, 1944.....	233	169	402
June 30, 1945.....	312	332	644

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

	Fire	Police	Total
June 30, 1941.....	76	45	121
June 30, 1942.....	79	185	264
June 30, 1943.....	74	203	277
June 30, 1944.....	151	194	345
June 30, 1945.....	106	215	321

During the fiscal year 1945-46, 78 members of the Fire Department and 141 members of the Police Department will become eligible for retirement. In addition there are 5 members of the Fire Department and 5 members of the Police Department now on military leave who will be eligible for retirement during the next fiscal year.

Military Leaves	Fire	Police	Total
1940-41	12	19	31
1941-42	40	90	130
1942-43	210	369	579
1943-44	47	70	117
1944-45	28	36	64
TOTAL	337	584	921

	Fire	Police	Total
Returned from Military Leave.....	47	72	119
Killed in Action.....	7	8	15
TOTAL	54	80	134

As shown in the above schedule, a total of 921 men were called into military service during the five fiscal years beginning July 1, 1940, and ending June 30, 1945; 119 men have returned to duty from military leave and 15 men were killed in action. The balance of 787 indicates the number of men on military leave at the close of June 30, 1945.

ASSETS

Cash \$ 851,884

The amount of cash on hand at the end of the fiscal year shows an increase of \$13,643 from the balance of June 30, 1944. 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, 1946.

Street Bonds—Unmatured \$ 269,386

This account represents unmatured principal coupons on street improvement bonds on which payments have been made for the past eighteen years.

Street Bonds—Matured \$ 11,950

As shown in Schedule No. 7, this account is segregated between delinquent principal and principal payments being made under agreements. The total amount of \$11,950 represents the principal coupons delinquent, and not the face value of bonds upon which there were delinquencies. Since June 30, 1944, these delinquent amounts have been reduced \$9,818. There were no foreclosures of street bonds during the year under review.

It is further noted that \$4,253 or 35.59 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 of sale and treasurer's deeds.

Accounts Receivable \$ 569

This account represents the balance due on a judgment for value of use in occupancy against A. Salot. The original amount of judgment was \$1,069. A payment of \$500.00 was received during the year and credited to revenue for the year. The remaining balance due is \$569.

Taxes Receivable \$ 1,190,426

This account shows the amount of expenditures in excess of revenues for the fiscal year 1944-45. As shown in Exhibit No. 2, Statement of Operations Compared, the net operating surplus for the year shows a minus balance of \$1,190,426; 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 \$15,093,000

Schedule No. 5 shows the segregation of general obligation, corporate, and government bonds. An appraisal of these securities by the investment counsellor, dated June 30, 1945, indicated a market value of \$176,629 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 the 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 \$ 44,365

This segregation includes certificates of sale upon which treasurer's deeds have not been taken. The total of \$44,365 is stated as the face value of these certificates of sale and after deducting the reserve for interest in the amount of \$8,759, the balance of principal is \$35,606. At the beginning of the year there were twenty-nine certificates of sale and during the year one certificate of sale was transferred to real property by acquiring a quit-claim deed. Five of the remaining certificates are now under agreements with property owners for redemption by installment payments. Five 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 sixteen 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 \$ 231,849

This segregation includes 118 treasurer's deeds on which quiet title actions have not been completed. The sum of \$231,849 is stated as the face value of these treasurer's deeds and after deducting the reserve for interest in the amount of \$42,975, the balance of principal is \$188,874. At the beginning of the year, exclusive of treasurer's deeds upon which property owners are making installment payments, there were 128 treasurer's deeds to be made into real estate. During the year there were no redemptions. Through the completion of quiet title actions and the acquisition of quit-claim deeds ten of these treasurer's deeds were made into real estate. Legal proceedings are under way as to fifty-eight of the remaining treasurer's deeds and there remain but sixty such deeds for future action. Application for tax deeds has been made for sixty-four of the remaining 118 treasurer's deeds.

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

Trust Deeds Receivable \$ 160,262

This segregation represents the amount of unpaid principal on deeds of trust which have been taken on properties that have been sold. These trust deeds bear interest at the rate of 7% per annum. Payments of principal and interest are being made currently and these investments are considered of excellent value. There were 64 new trust deeds received from property sales during the year, and 5 deeds were paid in full.

Agreements Receivable \$ 11,189

This segregation represents the amount of unpaid principal of certificates of sale and treasurer's deeds being redeemed under agreements executed by the Board of Pension Commissioners, and the original owners of the properties concerned. These agreements bear interest at the rate of 7% per annum. There were no new agreements entered into during the year and in the course of this fiscal year this account has been reduced by \$2,889.

Real Property Improved \$ 368,331

Included in this segregation are 33 parcels of which number 17 parcels have been authorized for sale but the escrows have not been completed. The net book value of these properties after deducting \$60,863 reserve for interest charges amounts to \$307,468. During the year \$14,523 was received from such properties in the form of rent, \$2,920 was expended for rehabilitation.

Real Property Unimproved \$ 664,269

Included in this segregation are 218 parcels of which number 36 have been authorized for sale but the escrows have not been completed. The net book value after deducting \$114,124 reserve for interest charges, amounts to \$550,145. During the year \$6,339 was received from such properties in the form of rent, and \$467 was expended for lot cleaning.

Bond Premiums and Discount \$ 193,821

This account represents premiums paid and discounts taken in connection with the purchase of all bonds except street improvement bonds and is being amortized 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 \$ 82,129

This account is segregated between current and delinquent interest. Current interest amounted to \$58,233 for bond investments and \$18,855 for street improvement bonds. Delinquent interest amounted to \$5,041 for street improvement bonds. Total accrued interest shows a decrease of \$34,837 from the amount reported at June 30, 1944. There was no interest delinquent on bond investments at the end of the fiscal year.

Quiet Title Cost \$ 2,753

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

Total Assets \$19,176,173

LIABILITIES

Accounts Payable \$ 40

This account is segregated into two items of expense, segregated as follows: Office Expense, \$5; Property Maintenance, \$35.

Prepaid Payments \$ 952

This is a suspense for cash payments received several years ago to apply on installment payments of principal and interest on street improvement bonds. There were no changes in this account during the year.

Partial Payments \$ 1,149

The balance of this account represents the amounts paid that have not been cleared against the actual asset affected. This account shows a decrease of \$2,108 since the end of the last fiscal year, and is being gradually liquidated.

Deposits on Real Property Sales \$ 19,815

This account represents deposits made on offers to purchase which have not been given final consideration and also authorized sales in which escrows have not been closed.

Reserve for Bond Interest \$ 5,041

This amount represents interest delinquent on street improvement bonds at June 30, 1945, which 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, Accounts Receivable \$ 569

This reserve set up for accounts receivable represents the balance due on the A. Salot judgment.

Reserve—Interest on Other Investments \$ 226,721

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

- (1) Unpaid principal on 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 deed and real property as the transfer between the various classes of investment is made. At June 30, 1945, the reserve for certificates of sale amounted to \$8,759, treasurer's deeds \$42,975, and real property \$174,987. These items total \$226,721, and are herein treated as one account.

Reserve—Investment Losses \$ 2,142,674

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 the fiscal year, thus eliminating the necessity of an additional tax levy in the following fiscal year in a like amount. Referring to Schedule 4 of this report, an analysis of operation adjustments during the fiscal year is shown. The balance of this account on June 30, 1944, was \$1,824,327. Excess of the proceeds of sales of bonds over original cost amounted to \$331,987 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 \$19,176,173

OPERATIONS

Investments

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 authorized by law as legal investment for savings banks.

Changes in the classification of bonds other than street improvement bonds is shown in Schedule No. 5. This schedule covers a five year period beginning July 1, 1940, and ending June 30, 1945. It is noted that in the diversification of the bond portfolio, sales of bonds totaled \$21,153,175. Included in this total is the sum of \$641,000 which represents the par value of municipal and corporate bonds that have been called, and bond purchases totaled \$24,433,000. All of these amounts are stated in terms of par value.

In reviewing the portfolio of bond holdings, at June 30, 1945, it is believed that all 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 the operating background of the issuing companies.

Comparing the balances in the bond portfolio at June 30, 1945, with that of the fiscal year ended June 30, 1940, it is noted that all California securities have been disposed of, with the exception of the local Chamber of Commerce bonds. Investments in government bonds shows holdings of 76.86% of the total portfolio, and industrials, public utilities and railroads total 22.61%. All purchases in corporate bonds have been made in the past five fiscal years. Earnings on investments for the fiscal year was approximately 2.4%.

Interest Earnings

It seems appropriate that some comment be made with regard to the gradual decrease in interest earnings on investments. We are entering into a new fiscal year with a cash balance of \$851,884, \$849,693 of this amount being 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 until January, 1946, it becomes necessary to use this surplus cash to discharge current payments of pensions and administrative expense. Referring to Exhibit No. 2, expenditures for this fiscal year exceeded revenue in the amount of \$1,190,426, and it is estimated that this amount for the fiscal year 1945-46 will be approximately \$1,600,195. The necessity of carrying this cash balance is one factor in considering the decrease in earnings from bond investments.

A second factor in considering the decrease is caused by the maturity and redemptions of street improvement bonds bearing interest at the rate of 7% per annum and the fact that the yield at the present time of bond purchases will average 2½%. The balance of unmatured principal of street improvement bonds at June 30, 1940, was \$1,143,184. On June 30, 1945, this balance of unmatured principal had decreased to \$269,386, showing a reduction of \$873,798 during the five year period.

In considering the earnings on street improvement bonds from July, 1929, to June 30, 1944, it is noted that \$2,641,210.32 in interest coupons matured. Disposition of this amount is as follows:

	Amount	Per Cent
Paid	\$2,335,810.42	88.44%
Foreclosed	295,205.87	11.18
Charged Off	5,152.82	.19
Delinquent	5,041.21	.19
	\$2,641,210.32	100.00%

In addition, earned interest on unpaid principal amounted to \$195,985.25 and bonus on bonds paid in full before maturity amounted to \$45,822.27 from July 1, 1930, to June 30, 1945.

Street Improvement Bonds

Referring to Schedule No. 7 the status of street improvement bond principal is shown as of June 30, 1945. Summarizing the operations of this class of investment 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, 1945, was \$269,386.46; the difference representing principal coupons matured in the amount of \$6,251,847.33, disposition of which follows:

	Amount	Per Cent
Paid	\$4,509,646.39	72.13%
Foreclosed	1,716,580.96	27.46
Charged Off	13,670.07	.22
Delinquent	11,949.91	.19
	\$6,251,847.33	100.00%

In considering the amount of \$13,670.07 charged off, \$4,118 of this amount represents the amount of principal that was written off during the fiscal year 1934-35 when 23 street improvement bonds were exchanged for Home Owner's Loan Corporation Bonds. An appraisal of the properties covered by this exchange resulted in the Board of Pension Commissioners taking this action in order to complete these transactions. Of the remaining \$9,552, \$1,118 of this amount has been recovered leaving a balance of \$8,434. This principal balance involves 185 bonds ranging from \$24 to \$94 in denomination. Due to the small amount of principal involved we have a subordinate position regarding over-lapping bonds and other liens, and our position does not warrant purchase of these other liens.

Street Lighting Assessments

The sum of \$17,606.45 was paid toward current and delinquent street lighting assessments on properties on which title had been quieted. In many cases where total liens are 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 \$26,609.55 has been paid in full for the sum of \$17,606.45, which is 66.2% of the total amount, exclusive, in most cases, of penalties. In addition the sum of \$4,391.51 was paid toward current and delinquent street lighting assessments on forty-six parcels covered by treasurer's deeds on which application has been made for tax deeds. As noted above these street lighting liens have been adjusted upon a pro rata basis, with

approval of the City Council. In summary, a total street lighting assessment debt of \$7,152.10 has been paid in full for the sum of \$4,391.51, which is 61.4% of the total amount.

Property Taxes

During the course of this fiscal year the sum of \$40,184.24 was paid on county contracts for tax deeds covering 210 parcels. Of this amount \$1,615.82 represents the redemption in full of four of the parcels.

At the close of the fiscal year, application had been made for tax deeds on 10 parcels and there remained 9 parcels for which application for tax deeds had not been made.

In addition, application for tax deeds on 64 of the remaining 118 treasurer's deeds had been filed and was pending at the close of the fiscal year.

Other Bonds

During the year thirty-one overlapping bonds were purchased, and in some cases redemptions in full of principal and interest were necessary in order to allow immediate sales. The total cost of these thirty-one bonds was \$4,461.19 or an average of one hundred fifty-three per cent of the balance of principal.

In summary, other bonds in the principal amount of \$106,695.21 have been purchased at a cost of \$63,591.78, or approximately sixty per cent of the principal involved. There are overlapping bonds still outstanding on forty of the properties owned as of June 30, 1945, in the principal amount of \$11,810.60. On certificates of sale there are seven outstanding bonds that are overlapping in the principal amount of \$204.96. On treasurer's deeds there are sixty-two outstanding bonds that are overlapping in the principal amount of \$7,141.63, and twenty-five cash liens in the amount of \$1,138.19, or a total of \$8,279.82.

Real Property Sales

During the course of the fiscal year 159 pieces of property were sold and 104 escrows closed. At the end of the year there remained unsold 198 pieces of property on which title has been quieted or acquired by deed, of which 16 pieces were improved and 182 unimproved. One improved property was on Virgil Avenue, two on Washington Boulevard and 13 in the Broadway area.

Sales of the 159 pieces of property amounted to \$634,962.00, as compared to an actual cost to the department of such properties of the total sum of \$660,081.00, which resulted in a book loss of \$25,119.00. It is noted that sales commissions totaling \$12,035.00 were paid on 65 of the 159 sales made, and that costs included in the calculation of this loss included maintenance charges of \$5,350.00 and that rent received during the year from such properties amounted to \$20,862.00, which is not entered in the calculation of the loss as reflected on the books of account.

In summary, title has been cleared up on 485 parcels. Two hundred eighty-seven of such parcels have been sold, with a net book loss of \$24,003.00. Included in these costs is the sum of \$12,702.00 expended for the maintenance of improved properties and cleaning of vacant lots. Sales commission has been paid upon 94 of the 287 parcels sold in the gross amount of \$16,715.00. Schedule 8, which is appended hereto, reflects the summary operative data of such sales.

Litigation

The status of members of the Fire and Police Departments on military leave was finally determined by the Supreme Court in the decision by that Court in the case of **Henry B. Dierkes v. Board of Pension Commissioners**. The Supreme Court reversed the judgment of the trial court which had denied to Mr. Dierkes the right to be allowed a pension while absent on military leave, and held that Mr. Dierkes was entitled to the allowance of his pension as of the date he applied for it, even though he was then in the military service.

The effect of this decision was to make presently eligible for immediate retirement if they should elect, fifteen firemen and twenty-five policemen then on military leave. In addition, under the interpretation placed upon Section 17 of the City Charter by the Supreme Court, members of the two departments absent on military leave will become eligible for pension forthwith whenever the period of military service added to the prior service as a policeman or fireman equals his minimum number of years service required for pension under the provisions of Section 180 of the City Charter.

The status of certain Fire Department employees not now considered as members of the Fire and Police Pension System, as opposed to the City Employees' Retirement System, remains to be determined by the court. Walter A. Giese, for many years an auto electrician and as such considered to be eligible for a fireman's pension because of his duty to respond to certain alarms of fire, has brought an action in which he seeks to establish that he is still eligible for a fireman's pension in his present position of Superintendent of Automotive Equipment in the Fire Department. Under the opinion of the City Attorney, challenged by Mr. Giese in this litigation, the Superintendent of Automotive Equipment was held to be not eligible for a fireman's pension because the Superintendent was not under the duty of responding to alarms of fire. Involved in the final determination of this controversy is the status of all employees now engaged in the repair and maintenance of automotive equipment for the Fire Department. If the Court should hold that this work qualifies one for membership in the Fire and Police Pension System, under Section 185 of the Charter, some twenty-five or thirty employees in the Fire Department Machine Shop would be added to the Fire and Police Pension system.

In litigation involving the claims of individuals to the allowance of pension, one new action was brought during the year. The widow of a police officer who died of hemorrhage due to athero-sclerotic aneurysm has brought an action for the allowance of a widow's pension following the denial of this claim by the Board. The pension was denied because there was not sufficient showing of a causal connection between the death and the discharge of police duties, such a connection being essential under the provisions of Section 183 of the City Charter. Under the existing provisions of Section 183 of the Charter, the court will have the final disposition of this case. We should again call attention to the question of amending this provision of the City Charter to vest in the Board of Pension Commissioners the power to hear and determine questions of fact relating to claims of alleged causal connection between injury or sickness incurred in the line of duty and death.

Apropos of the situation in which we find ourselves because of the wording of the provisions of Section 183 of the Charter, the appeal in the case of **Cordell v. City of Los Angeles** was determined during the year.

In this case the courts have awarded a pension to the widow of a fireman who died following an appendectomy. It was not suggested that the appendectomy itself was traceable to the discharge of fire duty, but the court did determine that the discharge of such duty had apparently aggravated a pre-existing kidney condition, and upon this rather tenuous theory ordered that a widow's pension be paid.

Of cases begun prior to the period covered by this report, two remain for final disposition; the appeal of the widow of a police officer who committed suicide, from a judgment of the trial court sustaining the action of the Board of Pension Commissioners in denying her application, is pending; in the second case, that of a minor child who claims a pension on account of the death of its father from a tubercular meningitis allegedly brought on by exposure in the discharge of his duty, is pending in the trial court.

Quiet Title Actions

Four quiet title actions were concluded by judgment during the period covered by this report, and quitclaim deeds in lieu of such quiet title actions were secured as to seven other parcels, but one new quiet title action was filed.

During the year only one deputy city attorney was employed, the other being absent on military leave.

Guardianships

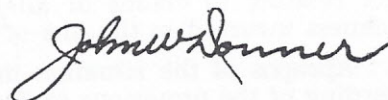
During the course of the year, the number of individuals under guardianships increased from thirty-seven to forty, made up of seven incompetents and thirty-three minors. The policy of following the annual accounts to determine the ultimate disposition of the funds paid is being continued.

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, 3 senior clerk stenographers, 2 legal stenographers, 1 clerk stenographer, 1 senior clerk, 1 general clerk, 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

JWD:GE

**CITY OF LOS ANGELES
FIRE AND POLICE PENSION FUND
BALANCE SHEET**
At June 30, 1945, as compared with June 30, 1944

Eighteen

	ASSETS			ASSETS		
	June 30, 1945			June 30, 1944		
Cash						
Deposits with Treasurer.....		\$ 851,834			\$ 838,191	
Petty Cash.....		50			50	
Total Cash.....		\$ 851,884			\$ 838,241	
Accounts Receivable.....		569			701,994	
Taxes Receivable.....		1,190,426				
Investments						
Street Bonds—Unmatured.....		\$ 269,386			\$ 398,659	
Street Bonds—Matured.....	\$ 20,384	†		\$ 29,902		
Less:						
Reserve, Bonds Matured.....	8,434	11,950		8,434	21,468	
Bond Investments.....		15,093,000			14,649,000	
Certificates of Sale.....		44,365			47,215	
Treasurer's Deeds.....		231,849			243,341	
Mortgages.....					688	
Trust Deeds Receivable.....		160,252			29,364	
Agreements Receivable.....		11,189			14,088	
Real Property, Improved.....		368,331			592,005	
Real Property, Unimproved.....		664,269			945,879	
Bond Premiums and Discounts.....		\$16,854,591			\$16,941,707	
Total Investments.....		193,821			349,590	
Accrued Interest.....			\$17,048,412			\$17,291,297
Current.....		\$ 77,088			\$ 111,576	
Delinquent.....		5,041	82,129		5,390	116,966
Quiet Title Costs, Prepaid.....			2,753			2,895
TOTAL ASSETS.....		\$19,176,173			\$18,951,393	

**CITY OF LOS ANGELES
FIRE AND POLICE PENSION FUND
BALANCE SHEET—Continued**

At June 30, 1945, as compared with June 30, 1944

LIABILITIES

Accounts Payable.....	\$	40		\$	1,665
Deferred Income:					
Prepaid Payments, Street Bonds.....		952			952
Partial Payments, Street Bonds.....		1,149			3,257
Deposits, Real Property Sales.....		19,815			9,460
Reserve, Accounts Receivable.....	\$	569		\$	
Reserve, Bond Interest.....		5,041			5,390
Reserve, Interest, Other Investments.....		226,721			327,130
Reserve, Investment Losses.....		2,142,674			1,824,327
Surplus—Reserve.....		16,779,212			16,779,212
		<u>\$19,154,217</u>			<u>\$18,936,059</u>
TOTAL LIABILITIES.....		<u><u>\$19,176,173</u></u>			<u><u>\$18,951,393</u></u>

STATEMENT OF OPERATIONS COMPARED
Fiscal Years 1938-39 to 1944-45 Inclusive

EXHIBIT I

	1944-45	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39
Revenue							
Taxes.....	\$1,415,428	\$1,484,350	\$1,437,760	\$1,346,011	\$ 757,118	\$ 63,801	\$1,232,676
Interest.....	353,580	397,367	457,069	492,739	548,547	594,734	648,729
Rental of Property.....	20,862	20,424	19,178	21,052	20,907	20,913	18,512
Members' Contributions.....	440,819	424,817	407,478	406,263	392,937	392,498	406,188
Sales—Unclaimed Property.....	11,772	10,469	9,528	6,827	4,801	5,765	5,374
Bonus.....	2,744	1,313	1,556	2,466	3,385	1,267	2,084
Donations.....	611	602	592	617	608	692	595
Miscellaneous.....	135	136	84	257	416	327	255
TOTAL REVENUES	\$2,245,951	\$2,339,478	\$2,333,245	\$2,276,232	\$1,728,719	\$1,079,997	\$2,314,413
Balance from Prior Years	\$	\$	\$	\$	\$ 215,680	\$ 749,967	\$
Total Available Resources	\$2,245,951	\$2,339,478	\$2,333,245	\$2,276,232	\$1,944,399	\$1,829,964	\$2,314,413
Expenditures							
Pensions Paid:							
Service.....	\$2,478,489	\$2,116,279	\$1,717,071	\$1,347,008	\$1,114,127	\$ 946,322	\$ 818,557
Disability.....	341,310	339,513	321,088	321,781	314,336	315,378	308,680
Widows.....	506,950	464,573	453,256	408,570	386,488	356,046	329,837
Minors.....	52,614	57,113	51,238	49,772	53,729	49,038	45,325
Dependents.....	11,769	11,465	11,003	10,032	10,032	9,607	14,532
Total Pensions	\$3,391,132	\$2,988,943	\$2,553,656	\$2,137,163	\$1,878,712	\$1,676,391	\$1,516,931
Total Administrative Expense (Schedule 1) ..	\$ 45,245	\$ 52,529	\$ 52,813	\$ 53,798	\$ 48,566	\$ 40,905	\$ 39,333
TOTAL EXPENDITURES	\$3,436,377	\$3,041,472	\$2,606,469	\$2,190,961	\$1,927,278	\$1,717,296	\$1,556,264
SURPLUS	\$1,190,426**	\$ 701,994**	\$ 273,224**	\$ 85,271	\$ 17,121	\$ 112,668	\$ 758,149
Operating Adjustments	\$	\$	\$	\$	\$ 17,121	\$ 16,249	\$ 8,182
NET OPERATING SURPLUS	\$1,190,426**	\$ 701,994**	\$ 273,224**	\$ 85,271	\$	\$ 96,419*	\$ 749,967*

*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 revenues must be levied in the succeeding year in order to meet such excess liabilities.

ADMINISTRATIVE EXPENSE COMPARED

SCHEDULE 1

OPERATING EXPENSE

	1944-45	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39
Salaries	\$ 32,718	\$ 34,685	\$ 35,001	\$ 32,062	\$ 29,257	\$ 25,972	\$ 26,048
Office	447	563	711	656	689	499	430
Printing	973	772	656	595	516	392	616
Postage	180	175	160	200	160	163	139
Surety and Insurance Premiums	870	1,061	1,019	921	978	939	1,531
Medical Examinations	2,445	2,533	4,757	6,392	4,220	5,457	5,022
Mileage .....	.....	194	197	243	150	1	12
Telephone	395	542	716	753	620	257	257
Auto Repairs and Supplies	218	215	214	303	253	194	238
Miscellaneous	82	27	.....	29	633	480	867
Litigation Cost	998	1,424	2,204	2,163	432	376	.....
Property Maintenance	2,920	5,380	1,982	4,449	4,470	2,156	3,229
Lot Cleaning	467	329	555	.....	.....	.....	.....
Investment Expense	2,500	4,000	4,000	4,000	3,000	3,000	.....
Investigation Expense	32	545	387	395	.....	.....	.....
Equipment, Furniture and Fixtures .....	.....	84	254	637	3,188	1,019	944
TOTAL EXPENSE	\$ 45,245	\$ 52,529	\$ 52,813	\$ 53,798	\$ 48,566	\$ 40,905	\$ 39,333

STATEMENT OF CASH RECEIPTS AND DISPOSITION THEREOF
Fiscal Years 1938-39 to 1944-45 Compared

Twenty-two

	SCHEDULE 2						
	1944-45	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39
Total Receipts and Revenue	\$13,038,343	\$7,577,769	\$6,185,240	\$4,452,887	\$6,706,511	\$2,610,293	\$2,676,085
Deduct:							
Revenue (Exhibit I)	2,245,951	2,339,478	2,333,245	2,276,232	1,728,719	1,079,997	2,314,413
Adjustments:							
Accrued Interest.....	51,976	42,520	25,090	3,199*	57,633	59,379	43,354
Surplus Reserve.....						69	443
Bond Premiums, Amortized.....	6,538	12,084	18,576	28,228	30,543		
Refunds, Advertising Cost.....				39	55		5
Refund, Quiet Title Cost.....		22			22		112
Reserve, Investment Losses.....						32,566	
Taxes.....	701,994	273,225			75,495*	75,495	
Bonus, Street Improvement Bonds.....				50	245*		
Minor's Pension Payments Returned.....	158						
Expense Abatements.....	1,634	201					
Prior Years Pensions Cancelled.....	720						
TOTAL REVENUE RECEIPTS	\$ 3,008,971	\$2,667,530	\$2,376,911	\$2,301,350	\$1,741,232	\$1,247,506	\$2,358,327
CAPITAL RECEIPTS	\$10,029,372	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$ 317,758
Analysis—Capital Receipts:							
Bond Investments (Par Value).....	\$ 9,036,000	\$3,687,000	\$3,087,000	\$1,547,400	\$4,035,675	\$1,055,975	\$ 32,375
Bond Investments—Premiums.....	154,224	237,349	228,408	149,159	173,061	101,406	
Street Improvement Bonds (Par Value).....	130,560	89,731	118,025	150,939	184,419	166,710	258,169
Certificates of Sale Redeemed.....		8,000	271	120	374	3,293	8,373
Treasurer's Deeds Redeemed.....	75	118		291	1,916		10,184
Real Property Sales, Escrow Balance.....	282,238	21,036	4,223	2,772	15,351	18,358	4,623
Agreements, Installments.....	33,307	19,534	21,297	21,478	19,098	5,902	4,024
Partial Payments—S.I.B.....	8,495	10,226	23,588	18,345	9,364	11,143	
Pension Rebates.....			183				10
Reserve, Investment Losses.....	331,987	823,505	325,334	261,033	526,021		
Street Bond Principal, Recovered.....		195					
Deposit on Real Property Sales.....	52,486	9,735					
Profit, Real Property Sold.....		3,810					
TOTALS	\$10,029,372	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279	\$1,362,787	\$ 317,758

*Additions

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF
Fiscal Years 1938-39 to 1944-45 Compared

	SCHEDULE 3						
	1944-45	1943-44	1942-43	1941-42	1940-41	1939-40	1938-39
Total Disbursements.....	\$13,024,700	\$7,492,907	\$6,761,734	\$5,969,681	\$5,035,234	\$2,267,630	\$1,898,813
Deduct:							
Expenditures (Exhibit 2).....	\$ 3,436,377	\$3,041,472	\$2,606,469	\$2,190,961	\$1,927,278	\$1,717,296	\$1,556,264
Adjustments:							
Prepaid Interest.....	18,573	3,821	9,929	11,170	13,868	1,682	4,785
Minors Pension Payments Returned.....	158	.....	.....	.....	20	.....	.....
Refund, Partial Payments.....	.....	.....	44	71	.....	.....	.....
Refund, Deposit on Sales.....	300	.....	.....	.....	.....	.....	.....
Refund, Prepaid Payments.....	.....	.....	.....	.....	243	.....	.....
Encumbrances.....	1,614	1,665*	35*	254*	.....	.....	.....
Miscellaneous.....	77	12	.....	135	70,000	1,532	726
Expense Abatements.....	2,354	1,397	.....	.....	.....	.....	.....
Total Operating Deductions.....	\$ 3,459,453	\$3,045,037	\$2,616,407	\$2,202,083	\$2,011,409	\$1,720,510	\$1,561,775
CAPITAL OPERATIONS.....	\$ 9,565,247	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038
Analysis—Capital Operations:							
Bond Investments (Par Value).....	\$ 9,480,000	\$4,392,000	\$4,083,000	\$3,623,000	\$2,855,000	\$ 530,000	\$ 299,000
Bond Investments—Premiums.....	16,183	35,880	40,276	115,419	162,799	6,747	34,071
Certificates of Sale Cost.....	.....	12	24	275	172	.....	86
Treasurer's Deeds Cost.....	.....	8	90	44	122	.....	14
Purchase Other Bonds, Real Property.....	2,993	17,380	20,284	28,383	5,222	9,698	.....
Real Property Cost, Appraisals.....	1,104	980	150	360	510	.....	2,404
Quiet Title Cost.....	105	1,340	1,463	117	.....	675	1,463
Certificates of Sale, Quitclaim Deeds.....	250	40	40	.....	.....	.....	.....
Treasurer's Deeds, Quitclaim Deeds.....	10	230	.....	.....	.....	.....	.....
Treasurer's Deed Cost, Appraisals.....	420	.....	.....	.....	.....	.....	.....
Real Property, Quitclaim Deeds.....	100	.....	.....	.....	.....	.....	.....
Real Property, Taxes.....	40,490	.....	.....	.....	.....	.....	.....
Real Property, Street Lighting.....	17,606	.....	.....	.....	.....	.....	.....
Treasurer's Deeds, Street Lighting.....	4,392	.....	.....	.....	.....	.....	.....
Real Property, Escrow Charges.....	1,594	.....	.....	.....	.....	.....	.....
TOTALS.....	\$ 9,565,247	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825	\$ 547,120	\$ 337,038

*Deductions

**RESERVE, INVESTMENT LOSSES
OPERATION ADJUSTMENTS**

SCHEDULE 4

Twenty-four

Balance, June 30, 1944.....			\$ 1,824,327.06
DEDUCTIONS:			
Loss, Sale of Real Property.....	\$	88,679.59	
Loss, Sale of General Obligation Bonds (Premiums).....		2,980.55	
Loss, General Obligation Bonds Called (Premiums).....		6,983.82	
		98,643.96	
TOTAL DEDUCTIONS.....			98,643.96
			\$ 1,725,683.10
 ADDITIONS:			
Profit, Sale of Real Property.....	\$	85,003.46	
Profit, Sale of Other Bond Investments.....		331,987.49	
		416,990.95	
TOTAL ADDITIONS.....			416,990.95
Balance, June 30, 1945.....			\$ 2,142,674.05

**ANALYSIS OF BONDS CLASSIFIED
EXCLUSIVE OF STREET BONDS
July 1, 1940, to June 30, 1945**

SCHEDULE 5

	Balance 6-30-40	Purchases	Sales	Maturities	Balance 6-30-45	Per Cent
Los Angeles General Obligation.....	\$ 1,290,000	\$	\$ 1,290,000	\$ .....	\$ .....	....
Los Angeles Chamber of Commerce.....	80,000	.....	.....	.....	80,000	.53%
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 Districts.....	448,000	.....	408,500	39,500	.....	....
State of California.....	1,305,000	.....	1,305,000	.....	.....	....
California School Districts.....	926,400	.....	911,400	15,000	.....	....
California Districts.....	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>.53%</u>
Eastern Districts.....	\$ 200,000	\$	\$ 200,000	\$	\$%
Eastern Municipalities.....	1,816,000	150,000	1,866,000*	100,000	.....	....
Southern Municipalities.....	165,000	.....	165,000	.....	.....	....
U. S. Government.....	2,413,400	19,585,000	10,398,400	.....	11,600,000	76.86
Industrials.....	.....	250,000	.....	.....	250,000	1.66
Public Utilities.....	.....	4,090,000	1,229,000**	.....	2,861,000	18.95
Railroads.....	.....	358,000	56,000***	.....	302,000	2.00
	<u>\$11,989,675</u>	<u>\$24,433,000</u>	<u>\$21,153,175</u>	<u>\$ 176,500</u>	<u>\$15,093,000</u>	<u>100.00%</u>

*\$ 50,000 Called
 **\$557,000 Called
 ***\$ 34,000 Called
 Book Value as of 6-30-45 was \$15,286,820.52
 Appraised Market Value was \$15,463,450.00

BOND DISTRIBUTION

SCHEDULE 6

LOS ANGELES CHAMBER OF COMMERCE, 4's.....	1957		\$ 80,000
UNITED STATES GOVERNMENT			11,600,000
U. S. Treasury Bonds, 2½'s.....	1972/67	\$ 3,400,000	
U. S. Treasury Bonds, 2½'s (Series G).....	1953/57	450,000	
U. S. Treasury Bonds, 2½'s (Registered).....	1967/62	500,000	
U. S. Treasury Bonds, 2¼'s.....	1959/62	3,850,000	
U. S. Treasury Bonds, 2's.....	1954/52	2,150,000	
U. S. Treasury Bonds, 2's.....	1953/51	1,250,000	
CORPORATES			3,413,000
American Tel. & Tel. 3¼'s.....	1966	150,000	
American Tel. & Tel. 3¼'s.....	1961	100,000	
Boston Edison, 2¾'s.....	1970	100,000	
California Oregon Power, 3¼'s.....	1974	50,000	
Central Maine Power, 3½'s.....	1970	143,000	
Cleveland Elec. Illuminating, 3's.....	1970	150,000	
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 Ry. 3½'s.....	1962	102,000	
Illinois Bell Tel. 2¾'s.....	1981	150,000	
Jersey Central Power. 3½'s.....	1965	200,000	

Twenty-six

BOND DISTRIBUTION (Continued)

SCHEDULE 6

Northern Indiana Public Service, 3½'s.....	1973	100,000
Pacific Gas and Elec. 3's.....	1979	150,000
Public Service Elec. & Gas, 3's.....	1972	75,000
Public Service of Indiana, 3¼'s.....	1973	200,000
Public Service of New Hampshire, 3¼'s.....	1973	199,000
Southern Bell Telephone, 3's.....	1979	150,000
Southern Railway, 4's.....	1956	100,000
Southwestern Bell Telephone, 3½'s.....	1964	200,000
Texas Corporation, 3's.....	1965	250,000
Union Pacific R. R. 1st, 3½'s.....	1980	100,000
Wisconsin Power & Light, 3¼'s.....	1971	150,000
Wisconsin Public Service, 3¼'s.....	1971	144,000

TOTAL PAR VALUE.....		<u>\$15,093,000</u>
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STREET IMPROVEMENT BONDS

June 30, 1945

SCHEDULE 7

	Year of Maturity	Matured Principal Delinquent	Matured Principal Under Agreements	Unmatured Principal	Total
Vermont Avenue, Series 25.....	1945/57	\$	\$ 613.71	\$ 3,470.01	\$ 4,083.72
Myra Avenue, Series 3.....	1945/57	120.54	.....	1,906.15	2,026.69
Avenue 60, Series 3.....	.....	10.00	.....	.....	10.00
Fourth Street, Series 25.....	1945/57	.....	.....	2,810.17	2,810.17
Olive Street, Series 10.....	1945/58	.....	.....	8,378.37	8,378.37
Olive Street, Series 9.....	1945/58	3,922.38	.....	4,983.23	8,905.61
La Brea Avenue, Series 13.....	1945/58	.....	.....	9,476.15	9,476.15
Virgil Avenue, Series 11.....	1945/58	265.17	.....	23,469.67	23,734.84
Western Avenue, Series 19.....	1945/59	809.40	.....	23,587.55	24,396.95
Broadway, Series 16.....	1945/59	265.90	523.65	21,978.54	22,768.09
Beverly Boulevard, Series 13.....	1945/59	.....	.....	7,281.82	7,281.82
Washington Street, Series 15.....	1945/59	.....	1,616.16	38,319.25	39,935.41
Manchester Avenue, Series 6.....	1945/59	.....	.....	33,381.23	33,381.23
Coldwater Canyon, Series 1.....	.....	.....	813.67	.....	813.67
Windward Avenue, Series 1.....	.....	1,636.46	.....	.....	1,636.46
Flower Street, Series 7.....	1945/60	.....	.....	1,721.21	1,721.21
Franklin Avenue, Series 13.....	1945/60	.....	.....	235.96	235.96
Silver Lake Boulevard, Series 3.....	1945/60	48.57	.....	5,442.34	5,490.91
La Brea Avenue, Series 20.....	1945/60	.....	.....	16,615.19	16,615.19
Slauson Avenue, Series 10.....	1945/60	.....	.....	11,629.90	11,629.90
Temple Street, Series 12.....	1945/60	577.92	685.88	47,049.75	48,313.55
Sepulveda Boulevard, Series 2.....	1945/61	40.50	.....	4,582.98	4,623.48
Figueroa Street, Series 24.....	1945/60	.....	.....	3,066.99	3,066.99
		<u>\$ 7,696.84</u>	<u>\$ 4,253.07</u>	<u>\$269,386.46</u>	<u>\$281,336.37</u>

Note: Total of matured coupons as of June 30, 1945, amounted to \$11,949.91.

**REAL PROPERTY SALES
SCHEDULE 8**

Fiscal Year	Number Parcels	Principal	Over-lapping Bonds	Street Lighting	Taxes	Costs	Sales Commission	Total	Sales Price	Profit	Loss
1937-38	6	\$ 17,855	\$ 436	\$ 262	\$ 17	\$ 487	\$ 275	\$ 19,332	\$ 14,400	\$	\$ 4,932
1938-39	12	15,109	603	55	....	676	653	17,096	19,900	2,804	....
1939-40	8	29,935	1,536	745	3	639	330	33,188	25,195	....	7,993
1940-41	10	27,963	1,173	613	7	875	777	31,408	26,224	....	5,184
1941-42	7	7,749	452	281	227	569	....	9,278	7,250	....	2,028
1942-43	27	24,160	3,024	632	1,173	1,452	545	30,986	36,325	5,339	....
1943-44	58	119,794	8,527	2,949	9,304	4,627	2,100	147,301	160,413	13,112	....
1944-45	159	571,371	23,424	13,150	26,891	13,210	12,035	660,081	634,962	....	25,119
	<u>287</u>	<u>\$813,936</u>	<u>\$ 39,175</u>	<u>\$ 18,687</u>	<u>\$ 37,622</u>	<u>\$ 22,535</u>	<u>\$ 16,715</u>	<u>\$948,670</u>	<u>\$924,669</u>	<u>\$ 21,255</u>	<u>\$ 45,256</u>

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 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 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 181½ of this charter.

Sec. 181½. No member of said department entering said departments after this amendment becomes effective shall receive a pension from said Fire and Police Pension Fund, pursuant to the provisions of Section 181 of this Article, in an amount greater than eighteen hundred dollars (\$1,800.00) annually; provided, however, that an additional one and two-thirds per cent (1 2/3%) of the average monthly rate of salary which such member shall have received in such department during the three years immediately preceding the date of his retirement shall be paid to any such member so retired who shall have entered such department subsequent to the taking effect of this amendment for each year over twenty-five (25) years and less than thirty-five (35) years in the aggregate served by such member before retirement.

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

pension award as provided for in this section. Said board shall make its 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 lifetime or until she remarries, and thereafter a pension shall be paid in equal monthly installments, 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 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 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.