

ANNUAL REPORT

BOARD of PENSION COMMISSIONERS

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1947

With

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

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GOVERNING PENSION SYSTEM



February 17, 1948

To The Mayor and The City Council
of the City of Los Angeles

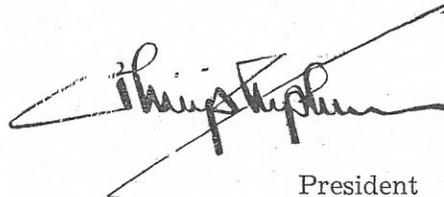
Gentlemen:

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, 1947. The report of the Manager presents a comprehensive review of operations for the year and has been approved and adopted by the Board.

The revisions of Article 17 made effective June 16, 1947 should do much to improve the morale of existing members and should be constructive in attracting the most desirable applicants for work in the fire and police service. Estimates of the financial results of such amendments have been included in the budget for the fiscal year 1947-1948.

We wish to present through you our most sincere remarks of appreciation to other departments of the City Government for their sincere and wholehearted cooperation with our Department during the year.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Thompson", is written over a diagonal line that extends from the top right towards the bottom left.

President

Personnel of the
BOARD OF PENSION COMMISSIONERS

Philip Stephens, M.D., President
(Term expires July 1, 1948)

James Sheldon Riley, Vice President
(Term expires July 1, 1951)

Cornelius P. Hill
(Term expires July 1, 1947)

C. Jerome Cable
(Term expires July 1, 1949)

Geo. W. Jones, M.D.
(Term expires July 1, 1950)

January 27, 1948.

Board of Pension Commissioners
of the City of Los Angeles

Honorable Members:

The annual report of operations of the Pension Department for the fiscal year 1946-47 is submitted herewith in form sufficiently similar to prior years as to permit easy comparison. Included also are financial and operating statements of the Fire and Police Pension Fund for the fiscal year under consideration compared with operations of prior years. Operations are described particularly with regard to changes and developments in order that a clear understanding may be had.

During the fiscal year ended June 30, 1947, 153 petitions for pensions were received. On July 1, 1946, 21 petitions were pending, making a total of 174 petitions to be acted upon, of which number 147 were granted, 5 denied, 5 withdrawn and 17 pending at June 30, 1947. During the same period 66 pensions were discontinued. Adding the net increase of 81 to the 2,751 existing at the close of the last fiscal year gives a total of 2,832 beneficiaries of the Fire and Police Pension Fund. These segregated into various classes and comparisons of the fiscal year ending June 30, 1946, are set forth below:

	1945-46			1946-47		
	Fire	Police	Fire and Police	Fire	Police	Fire and Police
Service	878	1,211	2,089	899	1,242	2,141
Disability	76	127	203	74	129	203
Widows	154	270	424	163	290	453
Minors and Dependents	13	22	35	15	20	35
TOTAL	1,121	1,630	2,751	1,151	1,681	2,832

These changes in pension classifications are substantially analyzed as follows:

Service	Fire	Police	Total
Granted	36	62	98
Deaths	15	31	46
Withdrawn	1*	4*	5*
TOTAL	21	31	52

Disability	Fire	Police	Total
Granted	1	5	6
Deaths	3	3	6
Increased	1*	2*	3*
Denied	1*	.....	1*
TOTAL	-2	2	0

Widows	Fire	Police	Total
Granted	14	26	40
Deaths	2	3	5
Remarried	3	3	6
Decreased	4*	8*	12*
Denied	2*	2*	4*
TOTAL	9	20	29

Minors and Dependents	Fire	Police	Total
Granted	2	1	3
Discontinued	0	3	3
TOTAL	2	-2	0

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

At the end of the year there were 293 members of the Fire Department and 273 members of the Police Department eligible for retirement. The following statement represents by departments the number of eligibles at the close of each of the last seven 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
June 30, 1946.....	317	322	639
June 30, 1947.....	293	273	566

The number of years of active service of all twenty year men who are now eligible to retire is as follows:

Years Service	Fire	Police
20	15	10
21	47	48
22	81	119
23	97	48
24	11	27
25	5	12
26	3	2
27	4	1
28	5	1
29	5	2
30	2	2
31	5	1
32	4	0
33	2	0
34	4	0
35	0	0
36	1	0
37	2	0
TOTAL	293	273

The number of members retiring upon service pensions is represented by departments for the last seven fiscal years in the following statement:

	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
June 30, 1946.....	36	176	262
June 30, 1947.....	36	62	98

The above quoted statistics concern themselves exclusively with members entering the service of the Fire and Police Departments prior to January 17, 1927. If such members had served continuously, all of them would have been eligible for retirement at the close of the fiscal year. There were, however, 28 members who had not become eligible by reason of lost time. Out of the total of 28 members in this classification 1 fireman and 7 policemen will become eligible during the next fiscal year. There will obviously be no other members becoming eligible in this classification.

Twenty-five Year Men

Members entering the service of the Fire and Police Departments subsequent to January 17, 1927 are required to serve twenty-five years in order to obtain a service pension of one-half of the average of their salary for the last three years of their service. Effective June 16, 1947 the Charter was amended to the effect of allowing such members to retire upon forty per cent of the average compensation after twenty years of service with provision that such members would receive an additional two per cent of such average compensation for each of the next five years of additional service and one and two-thirds per cent of such average compensation for each of the next ten years of additional service. As of June 30, 1947, there were 15 firemen and 30 policemen who were eligible to retire under this twenty year rule and during the fiscal year 1947-1948 21 firemen and 96 policemen will become eligible.

Military Leaves

A total of 935 men entered the military service from the Fire and Police Departments during the seven fiscal year period beginning July 1, 1940 as reflected in the following statement:

	Fire	Police	Total
1940-41	12	19	31
1941-42	44	94	138
1942-43	208	368	576
1943-44	47	72	119
1944-45	28	36	64
1945-46	0	1	1
1946-47	2	4	6
TOTAL	341	594	935

Eight hundred forty-one members have returned from military leave and analysis of the remaining 74 appears as follows:

	Fire	Police	Total
Retired while on military leave	8	22	30
Resigned while on military leave	5	7	12
Discharged while on military leave	0	1	1
Died while on military leave	9	11	20
Disqualified as to restoration	0	3	3
Remaining on military leave	5	23	28

Eight

Of the 28 members remaining on military leave one was eligible to retire as of the end of the present fiscal year. Due to the possibility of conflict between sections of the Charter, no definite rule can be now formulated regarding these men. Hostilities have ceased as is set forth in Section 17 but the effect of Section 189 is uncertain when applied to these cases.

Members on Active Duty

As of June 30, 1947 there were 1,941 firemen and 3,108 policemen on active duty including members on leave of absence without pay, members on military leave and members on suspension. The following statement presents an analysis of the length of service of such members:

	Fire	Police
25 Year Men:		
Men with less than 5 years service	653	1,627
With 5 years or more	973	1,139
With 20 years service	15	30
20 Year Men:		
Now eligible to retire	293	273
Not yet eligible, due to loss of time	2	16
Men on Military Leave (eligibility dates not counted)	5	23
TOTAL	1,941	3,108

ASSETS

Cash \$ 1,738,739

Included in this item is a Petty Cash Fund of \$75.00 and a Deed Revolving Fund of \$176.37. The Deed Revolving Fund is actually authorized to be \$250.00 and expenditure items therefrom are limited to the sum of \$25.00. Disbursements during the month of June from this Fund were not reimbursed with the result that the cash balance in said Fund remains in an odd amount. It is noted that \$1,000,000 was invested in U. S. Certificates of Indebtedness and \$200,000 in Corporate bonds immediately after the close of this fiscal period.

Taxes Receivable \$ 1,265,966

This amount represents the excess of expenditures over revenues for the fiscal year, the detail of which is shown in Exhibit 1. Section 186 of the Charter is interpreted to provide that in the event tax revenues in any one 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 operating deficit.

Bond Investments \$15,224,000

Schedule 6 presents a distribution of the bond portfolio at the close of the fiscal year 1946-47. Holdings of government securities were increased \$100,000 during the fiscal year, and corporate bond holdings were increased \$210,000. Bonds in the amount of \$90,000 par value were called which resulted in a loss of \$815 over the unamortized portion of the original cost. An appraisal of the bond portfolio shows a market value of \$751,602 over the book value of these securities.

Street Improvement Bonds \$ 130,539

This account represents unmatured principal coupons on bonds on which payments have been made for the past 20 years. Of this amount, \$793 represents delinquent principal. The summary details of this account are presented in analytical form in Schedule 7.

Certificates of Sale \$ 16,455

At the beginning of the year there were 49 certificates of sale. Three were transferred to real property. Three were transferred to treasurer's deeds and 6 were redeemed in the Treasury. During the year 186 new certificates of sale were acquired as a result of foreclosure proceedings. At the end of the fiscal year there were 223 certificates of sale on hand. Included in this number are 134 certificates of sale which have been authorized for sale and on which a deposit of \$5,000 has been made but on which sale has not yet been completed.

Treasurer's Deeds \$ 93,987

At the beginning of the year there were 133 treasurer's deeds. Three treasurer's deeds were acquired, 9 were sold and 42 converted into real property. At the end of the fiscal year there were 85 treasurer's deeds remaining. Twenty-three of these deeds represent substantial values and the remainder are liens against properties lying in the northeast section of the City wherein values are comparatively low. Most of these deeds present difficult problems in clearing title and will require some time to work out satisfactorily. It is believed that the actual value of such deeds is in excess of all cost of such items.

Trust Deeds Receivable \$ 178,982

This account represents the unpaid principal on deeds of trust which were secured by the properties sold. These deeds bear interest at the rate of seven per cent per annum. There were 93 deeds at the beginning of the year. During the year 23 new deeds were received from property sales completed and 34 deeds were paid in full. There remained open 82 trust deeds at the close of the fiscal year.

Agreements Receivable \$ 381

This account represents the principal amount involved in agreements made with the owners of properties for the redemption of either certificates of sale or treasurer's deeds. The agreements bear interest at the rate of seven per cent per annum. This account was reduced \$3,305 during the fiscal year.

Ten

Real Property Improved \$ 64,152

This account includes 13 parcels of improved property of which number 4 parcels have been sold but the escrows have not been completed. The book value of these 4 parcels is \$27,269 and \$36,883 for the remaining 9 parcels.

Real Property—Unimproved \$ 111,663

This account consists of 48 parcels of unimproved property of which number 7 parcels have been sold but the escrows have not been completed. The book value of these 7 parcels is \$22,516 and \$89,147 for the remaining 41 parcels.

Bond Premiums and Discounts \$ 122,498

These premiums and discounts are being amortized over the life of the bond issues affected in order that the earnings upon such investments will be adjusted to the rates for which such bonds were purchased to yield.

Accrued Interest \$ 48,117

This account consists of two items. Interest of \$39,036 on general bonds both government and corporates which is due but not received as of June 30, 1947. Interest on street improvement bonds due but not collected of \$9,081.

Total Assets \$18,995,479

LIABILITIES

Accounts Payable \$ 1,762

This account consists of three items of expense as follows: Printing expense, \$18; mileage, \$26; office equipment, \$1,718.

Prepaid Payments \$ 1,207

This is a suspense account for cash payments received during prior years to apply on installment payments of principal and interest on street improvement bonds.

Partial Payments \$ 103

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 \$176 since the close of the last fiscal year.

Deposits on Real Property \$ 5,460

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

Accumulated Surplus \$16,786,453

This account represents the amount of surplus accumulated from prior years operations to provide for excess pension requirements in future years. This account was increased \$5.00 during the fiscal year due to the reinstatement of a charge against a bond that had been charged off and reinstated in the prior fiscal year.

Reserve for Investment Losses \$ 2,200,494

This account represents the net profits and losses from the sale of investments and can be regarded as an evaluation reserve. This reserve is fully reinvested which increases the interest earnings to the fund and in turn reduces requirements, from taxes. This account shows an increase of \$58,977 over the previous fiscal year as is reflected in Schedule 4.

Total Liabilities \$18,995,479

OPERATIONS

The present status of the bond portfolio is presented in Schedule 5 which reflects the portfolio as of July 1, 1940 and its operations up to the close of the fiscal period under review. The detailed items constituting the portfolio appear in Schedule 6. The portfolio as existed on June 30, 1947 was appraised by Lionel D. Edie and Company under the date of August 15, 1947 at \$16,186,100 which is \$874,100 in excess of par value and \$751,602 in excess of the book value of the portfolio. It is also noted that definite information has been received to the effect that the Chamber of Commerce bonds will be paid off in full including interest and that a substantial realization will also be made from the stock certificates that have been carried on our books at nominal value.

Interest Reserves

These reserves were eliminated from the records as of June 30, 1947 and the respective asset accounts reduced reciprocally. Having our accounts show both unpaid principal and the interest included in the foreclosure tended to present an inflationary representation of asset values and at the same time caused a certain amount of avoidable bookkeeping work. The reserves affected were Certificates of Sale, \$665, Treasurer's Deeds, \$17,405 and Real Property \$30,015, or a total of \$48,085.

Taxes

During the year contracts were effected through the City Council with the Board of Supervisors for the purchase of tax deeds on practically all property in which we had an interest. Tax title was acquired on 13 parcels on which we had title, at a cost of \$7,094, 48 parcels covered by treasurer's deeds at a cost of \$8,636, and on 4 parcels covered by certificates of sale at a cost of \$260. These amounts when added to the sum of \$212 expended for legal advertising of proposed tax sales amounted to a total expenditure of \$16,202.

Lighting Assessments

The policy of paying current lighting assessments on properties in which we had either real or statutory title was continued with the result that maintenance assessments were paid on some 38 pieces of property and both redemption and maintenance assessments were paid upon some 7 pieces of property at a total cost of \$1,604.61.

Street Improvement Bonds

During the course of the year we sold 9 street bonds to owners of record for a total consideration of \$340.86. Such sales were made upon the basis of par or par and accrued interest. Eight overlapping street bonds were purchased at par or better involving a total payment of some \$354. Fourteen overlapping street bonds the ownership of which we had been unable to locate were redeemed for a total consideration of \$1,183.66, and involved an unpaid principal of \$665.88.

Real Property

At the beginning of the fiscal year there were 69 parcels upon which we had merchantable title. During the year 44 parcels were transferred to real property and 52 parcels were sold which left 61 parcels in this segregation at the close of the year. The addition of the 44 parcels was realized through the medium of quit claims in 26 cases, quiet title actions in 15 cases and the remaining three by virtue of the Title Company guaranteeing clear title upon the basis of both the tax and treasurer's deeds. Of the total number of 61 parcels in this category at the end of the year, 11 parcels were not available for sale by reason of outstanding street improvement bonds, the ownership of which could not be ascertained.

During the course of the year the sale of 34 parcels was authorized at a total consideration of \$137,995 and upon an estimated basis these sales will approximate a net excess of the proceeds of sale over all costs of some \$40,000. The details of sales authorized are recapitulated in Schedule 8. The purpose of this schedule is to segregate authorizations to sell by fiscal years and to give an approximation of the profit and loss on such items.

Fifty-two escrows were closed during the year involving total sales of some \$212,000 and a net profit of \$43,879. The sale of treasurer's deeds and certificates of sale during the year amounted to a net profit in excess of \$2,000. Profits and losses resulting from the sale of property or liens against property are closed into the Reserve for Investment Losses an analysis of which is presented in summary form in Schedule 4.

Deed Revolving Fund

A secondary Petty Cash Fund in the amount of \$250 was established by Board resolution for the purpose of avoiding delays in acquiring quit claim deeds from record property owners after an agreement had been administratively reached with such individuals. This arrangement allows the purchase of quit claim deeds at a cost not exceeding \$25.00 per deed without specific Board authorization and has worked out very nicely. The details of operations of this Revolving Fund are presented to the Board monthly.

Surety Bonds

Five of the ten employees were under bond as follows:

Position	Amount of Bond
Manager-Secretary	\$150,000
Chief Accountant	25,000
Senior Clerk	25,000
Principal Clerk Stenographer	5,000
Intermediate Clerk Stenographer	5,000

Quiet Title Actions

As a result of the filing of 23 quiet title actions covering 25 parcels of real property, marketable titles upon 23 of said parcels were obtained.

Fourteen

Guardianships

Two new incompetent and 2 new minor guardianship proceedings were added, one of the latter covering 2 minors. One competent was restored to capacity and the proceeding closed; 3 minor guardianships were closed. There are, as of this date, 32 guardianship proceedings, 8 covering 8 incompetents and 24 covering 27 minors. During the course of the year, 19 accounts and 3 petitions were received and examined. Considerable correspondence was had with guardians and their attorneys. Several conferences were had with judges regarding guardians' accounts.

Charter Amendments

Effective June 16, 1947, Article XVII of the City Charter was amended and some of the important changes provided: that members are to contribute 6% of their salaries instead of 4 per cent; that members may retire upon service pension after twenty years of aggregate service at a lesser pension, the amount of which would increase for each additional year of service up to twenty-five; that the minimum service connected disability pension shall be 50 per cent instead of 10 per cent of the salary attached to the rank held at the date of retirement; that members after five or more years of aggregate service, shall be entitled to non-service connected disability pensions; that widows, whose husbands had retired or were eligible to service retirement with less than twenty-five years of service, are entitled to pensions not to exceed the amount which he was receiving or would be eligible to receive; that widows of members, who served five or more years and who died from causes other than those arising out of the performance of their duties, are entitled to pensions.

Litigation

Walter A. Giese v. City of Los Angeles, etc., et al. The Superintendent of Automotive Equipment of the Fire Department was adjudged by the trial court to be a member of the Fire and Police Pension System, it having found that his duties substantially contributed to the prevention or extinguishment of fires. Judgment in favor of the petitioner was affirmed on June 27, 1946 by the District Court of Appeal.

Marie Lundrigan v. City of Los Angeles, etc., et al. As of the close of the fiscal year, an appeal from the judgment of the trial court granting petitioner a widow's pension upon the ground that her husband, who died of carcinoma of the right kidney, had died as a result of injuries received or sickness contracted in the performance of his duties, was being prosecuted by the Board.

Laura Stamper v. City of Los Angeles, etc., et al. In this case, judgment in favor of the petitioner was affirmed on June 10, 1947 but the appeal had far-reaching results in that it clarified the issues between the parties, which the judgment of the trial court had failed to do. Petitioner had alleged that her husband was eligible to retirement as of the date of his death, on the ground that although he had nineteen days less of regular

service than that required for service retirement, he had worked overtime under the emergency ordinance and the Board had failed and refused to calculate the same in computing his service pension credit. The appellate court held that he was entitled to such overtime credit in the computation of his years of aggregate service, but restricted the use of such overtime to its replacement of regular service time lost.

Hilda E. Adams v. City of Los Angeles, etc., et al. In this action, petitioner failed to prove to the satisfaction of the trial court that her husband, who had died of a hemorrhage due to an athero-sclerotic aneurysm of the descending aorta with erosion into the duodenum, had died as a result of injuries received or sickness caused in line of duty and judgment for respondents was entered on August 21, 1946.

Myrtle Lee Malone v. City of Los Angeles, etc., et al. A dismissal of this action, as against the defendant City of Los Angeles, was obtained and filed. The action alleged fraud in inducing plaintiff to sign documents of title transferring property interests to the City and other defendants.

M. Louise Morgan v. City of Los Angeles, etc., et al. Petitioner bases her claim for a widow's pension upon the ground that her husband contracted poliomyelitis in the performance of his duty and died as a result thereof. The trial of this proceeding has been set for August 12, 1947.

The People of the State of California v. Lusk, et al. In this action, a condemnation proceeding, we were named as parties defendant, filed our answer and succeeded in receiving full payment of the unpaid principal and interest upon a street improvement bond which was a lien upon one of the properties involved therein.

The People of the State of California v. Ross, et al. This is a condemnation proceeding involving properties upon which we hold four Treasurer's Deeds. The City's time to answer has been extended to and including December 31, 1947.

Personnel

Ten individuals were employed in the Department during the year including two Deputy City Attorneys and two Legal Stenographers. Vacant positions were not filled due either to the lack of qualified applicants or need for such employees. All employees are carried in the same classification and in the same salary range as employees in the general Government. Some new work will be developed during the course of the next fiscal year and apparently one or two new clerical positions will be required.

Respectfully submitted,



Manager-Secretary.

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

EXHIBIT I

At June 30, 1947, as compared with June 30, 1946

ASSETS

	June 30, 1947	June 30, 1946
Cash		
Deposits with Treasurer	\$ 1,738,488	\$ 1,617,406
Cash Revolving Funds	251	50
Total Cash	\$ 1,738,739	\$ 1,617,456
Taxes Receivable	1,265,966	1,455,802
Investments		
Bond Investments—General (Par)	\$15,224,000	\$14,914,000
Street Improvement Bonds (Par)	130,539	202,375
Certificates of Sale	16,455	21,505
Treasurer's Deeds	93,987	183,175
Trust Deeds Receivable	178,982	193,403
Agreements Receivable	381	3,686
Real Property—Improved	64,152	49,936
Real Property—Unimproved	111,663	124,366
Total Investments	\$15,820,159	\$15,692,446
Bond Premiums (Less Discounts)	122,498	114,227
Total Investments	15,942,657	15,806,673
Accrued Interest	48,117	55,982
TOTAL ASSETS	\$18,995,479	\$18,935,913

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

At June 30, 1947, as compared with June 30, 1946

LIABILITIES AND FUND CAPITAL

	June 30, 1947	June 30, 1946
Accounts Payable	\$ 1,762	\$ 397
Deferred Credits		
Prepaid Payments—Street Bonds	\$ 1,207	\$ 1,207
Partial Payments—Street Bonds	103	274
Deposits on Real Property Sales	5,460	6,070
Total Deferred Credits	6,770	7,551
Fund Capital		
Accumulated Surplus	\$16,786,453	\$16,786,448
Reserve for Investment Losses	2,200,494	2,141,517
Total Fund Capital	18,986,947	18,927,965
TOTAL LIABILITIES AND FUND CAPITAL	\$18,995,479	\$18,935,913

FIRE AND POLICE PENSION FUND
STATEMENT OF OPERATIONS COMPARED
Fiscal Years 1940-41 to 1946-47 Inclusive

EXHIBIT II

Revenues	1946-47	1945-46	1944-45	1943-44	1942-43	1941-42	1940-41
Taxes	\$3,287,705	\$2,737,131	\$2,117,422	\$1,757,574	\$1,437,760	\$1,346,011	\$ 681,623
Interest	437,787	396,246	353,580	397,367	457,069	492,739	548,547
Rental of Property	9,194	10,620	20,862	20,424	19,178	21,052	20,907
Members' Contributions	629,090	456,587	440,819	424,817	407,478	406,263	392,937
Sales—Unclaimed Property	15,458	13,212	11,772	10,469	9,528	6,827	4,801
Bonus	1,521	1,497	2,744	1,313	1,556	2,466	3,385
Donations	592	597	611	602	592	617	608
Miscellaneous	1,428	1,177	135	136	84	257	416
TOTAL REVENUES	\$4,382,775	\$3,617,067	\$2,947,945	\$2,612,702	\$2,333,245	\$2,276,232	\$1,653,224
ADD: Amount carried forward from prior years for current use							291,175*
DEDUCT: Amount applicable to prior year's expenditures (Charter Sec. 186).....	1,455,802	1,190,426	701,994	273,224			
REVENUES AVAILABLE for current year's expenditures	\$2,926,973	\$2,426,641	\$2,245,951	\$2,339,478	\$2,333,245	\$2,276,232	\$1,944,399
Expenditures							
Pensions Paid							
Service	\$3,111,581	\$2,880,806	\$2,478,489	\$2,116,279	\$1,717,071	\$1,347,008	\$1,114,127
Disability	349,134	341,454	341,310	339,513	321,088	321,781	314,336
Widows	610,917	550,595	506,950	464,573	453,256	408,570	386,488
Minors	53,748	55,314	52,614	57,113	51,238	49,772	53,729
Dependents	13,295	11,844	11,769	11,465	11,003	10,032	10,032
Total Pensions	\$4,138,675	\$3,840,013	\$3,391,132	\$2,988,943	\$2,553,656	\$2,137,163	\$1,878,712
Administrative Expense (Schedule 1).....	54,264	42,430	45,245	52,529	52,813	53,798	48,566
TOTAL EXPENDITURES	\$4,192,939	\$3,882,443	\$3,436,377	\$3,041,472	\$2,606,469	\$2,190,961	\$1,927,278
Excess of Revenues						\$ 85,271	\$ 17,121
Less: Operating adjustments and transfers....							17,121
NET EXCESS OF REVENUES						\$ 85,271	
Excess of Expenditures							
[To be reimbursed from taxes levied in following year (Charter Sec. 186)].....	\$1,265,966	\$1,455,802	\$1,190,426	\$ 701,994	\$ 273,224		

* Includes \$119,261 transferred from Reserve for Investment Losses.

ADMINISTRATIVE EXPENSE COMPARED
SCHEDULE 1

OPERATING EXPENSE

	1946-47	1945-46	1944-45	1943-44	1942-43	1941-42	1940-41
Salaries	\$ 39,706	\$ 30,778	\$ 32,718	\$ 34,685	\$ 35,001	\$ 32,062	\$ 29,257
Office	693	517	447	563	711	656	689
Printing	967	688	973	772	656	595	516
Postage	140	180	180	175	160	200	160
Surety and Insurance Premiums	2,092	906	870	1,061	1,019	921	978
Medical Examinations	1,732	2,216	2,445	2,533	4,757	6,392	4,220
Mileage	400	.....	.....	194	197	243	150
Telephone	434	483	395	542	716	753	620
Auto Repairs and Supplies	399	278	218	215	214	303	253
Miscellaneous	307	287	82	27	.....	29	633
Litigation Costs	2,082	1,303	998	1,424	2,204	2,163	432
Property Maintenance	422	978	2,920	5,380	1,982	4,449	4,470
Lot Cleaning .....	.....	283	467	329	555	.....	.....
Investment Expense	2,500	2,500	2,500	4,000	4,000	4,000	3,000
Investigation and Travel	671	810	32	545	387	395	.....
Equipment, Furniture and Fixtures	1,719	223	.....	84	254	637	3,188
	<u>\$ 54,264</u>	<u>\$ 42,430</u>	<u>\$ 45,245</u>	<u>\$ 52,529</u>	<u>\$ 52,813</u>	<u>\$ 53,798</u>	<u>\$ 48,566</u>

STATEMENT OF CASH RECEIPTS AND SOURCES THEREOF
Fiscal Years 1940-41 to 1946-47 Compared

Twenty

SCHEDULE 2

	1946-47	1945-46	1944-45	1943-44	1942-43	1941-42	1940-41
Total Receipts and Revenue	\$6,976,213	\$9,380,227	\$13,038,343	\$7,577,769	\$6,185,240	\$4,452,887	\$6,706,511
Deduct:							
Revenue (Exhibit 1)	2,926,973	2,426,641	2,245,951	2,339,478	2,333,245	2,276,232	1,728,719
Adjustments:							
Accrued Interest	8,563	27,513	51,976	42,520	25,090	3,199*	57,633
Non-Cash Earnings	27,372*	.....	.....	.....	.....	.....	.....
Bond Premiums Amortized	5,360	4,741	6,538	12,084	18,576	28,228	30,543
Taxes Receivable	1,455,802	1,190,426	701,994	273,225	.....	.....	75,495*
Miscellaneous	778	1,141	2,512	223	.....	89	168*
TOTAL REVENUE RECEIPTS	\$4,379,104	\$3,650,462	\$ 3,008,971	\$2,667,530	\$2,376,911	\$2,301,350	\$1,741,232
CAPITAL RECEIPTS	\$2,606,109	\$5,729,765	\$10,029,372	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279
Analysis—Capital Receipts:							
Bond Investments—(Par Value)	\$2,290,000	\$4,854,000	\$ 9,036,000	\$3,687,000	\$3,087,000	\$1,547,400	\$4,035,675
Bond Investments—Premiums	5,525	71,808	154,224	237,349	228,408	149,159	173,061
Street Improvement Bonds (Par Value)	53,925	79,928	130,560	89,731	118,025	150,939	184,419
Certificates of Sale	10,516	7,356	.....	8,000	271	120	374
Treasurer's Deeds	19,461	5,736	75	118	.....	291	1,916
Real Property Sales, Escrow Balance	114,160	391,631	282,238	24,846	4,223	2,772	15,351
Agreements, Installments	80,246	148,602	33,307	19,534	21,297	21,478	19,098
Partial Payments—S.I.B.	21	7,912	8,495	10,226	23,588	18,345	9,364
Miscellaneous Collections	11,964	323	.....	195	183	.....	.....
Reserve, Investment Losses	815*	128,160	331,987	823,505	325,334	261,033	526,021
Deposits on Real Property Sales	21,106	34,309	52,486	9,735	.....	.....	.....
TOTALS	\$2,606,109	\$5,729,765	\$10,029,372	\$4,910,239	\$3,808,329	\$2,151,537	\$4,965,279

* Deductions.

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF
Fiscal Years 1940-41 to 1946-47 Compared
SCHEDULE 3

	1946-47	1945-46	1944-45	1943-44	1942-43	1941-42	1940-41
Total Disbursements	\$6,855,131	\$8,614,656	\$13,024,700	\$7,492,907	\$6,761,734	\$5,969,681	\$5,035,234
Deduct:							
Expenditures (Exhibit 2)	4,192,938	3,882,443	3,436,377	3,041,472	2,606,469	2,190,961	1,927,278
Adjustments:							
Prepaid Interest	5,738	7,592	18,573	3,821	9,929	11,170	13,868
Expense Abatements	778	1,119	2,512	1,397	.....	.....	.....
Refund, Partial Payments	21	.....	.....	.....	44	71	263
Refund, Deposit on Sales	3,008	850	300	.....	.....	.....	.....
Encumbrances Adjustments	** 1,365*	41	1,614	1,665*	35*	254*	.....
Miscellaneous	263	3,600	77	12	.....	135	70,000
TOTAL OPERATING DEDUCTIONS	\$4,201,381	\$3,895,645	\$ 3,459,453	\$3,045,037	\$2,616,407	\$2,202,083	\$2,011,409
CAPITAL OPERATIONS	\$2,653,750	\$4,719,011	\$ 9,565,247	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825
Analysis—Capital Operations:							
Bond Investments (Par Value)	\$2,600,000	\$4,675,000	\$ 9,480,000	\$4,392,000	\$4,083,000	\$3,623,000	\$2,855,000
Bond Investments—Premiums	19,008	18,528	16,183	35,880	40,276	115,419	162,799
Appraisals	1,035	960	1,524	980	150	360	510
Cost—Certificates of Sale	3,177	540	.....	12	24	275	172
Cost—Quiet Title	250	248	105	1,340	1,463	117	.....
Cost—Treasurer's Deeds	12	.....	.....	8	90	44	122
Escrow Charges—Real Property	27	1,567	1,594	.....	.....	.....	.....
Other Bonds—Certificates of Sale	417	125	.....	.....	.....	.....	.....
Other Bonds—Real Property	379	2,470	2,993	17,380	20,284	28,383	5,222
Other Bonds—Treasurer's Deeds	741	2,027	.....	.....	.....	.....	.....
Petty Cash	50	.....	250	40	40	.....	.....
Quit Claim Deeds	9,390	2,910	110	230	.....	.....	.....
Deed Revolving Fund	250	.....	.....	.....	.....	.....	.....
Street Lighting Assessments	1,604	2,009	21,998	.....	.....	.....	.....
Taxes	16,202	12,627	40,490	.....	.....	.....	.....
Title Searches	991	.....	.....	.....	.....	.....	.....
Unapplied Charges—Investments	217	.....	.....	.....	.....	.....	.....
TOTALS	\$2,653,750	\$4,719,011	\$ 9,565,247	\$4,447,870	\$4,145,327	\$3,767,598	\$3,023,825

* Deductions.

** Includes current encumbrances of \$1,762 less prior year encumbrances of \$397.

RESERVE FOR INVESTMENT LOSSES

June 30, 1947

SCHEDULE 4

Twenty-two

Balance, June 30, 1946 \$2,141,517

1946-1947 ADJUSTMENTS:

ADDITIONS:

Profit, Sale of Property	\$ 43,879	
Profit, Sale of General Obligation Bonds	2,079	
Profit, Sale of Treasurer's Deeds	13,716	
Profit, Sale of Certificates of Sale	118	\$ 59,792

LESS: DEDUCTIONS:

Loss, General Obligation Bonds Called Premiums		815
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NET ADDITIONS

58,977

Balance, June 30, 1947 \$2,200,494

**ANALYSIS OF BOND TRANSACTIONS
EXCLUSIVE OF STREET BONDS**

July 1, 1940 to June 30, 1947

(Par Value)

SCHEDULE 5

	Balance 7-1-40	Purchases	Sales	Maturities and Calls	Balance 6-30-47	Per-Cent
Los Angeles General Obligation	\$ 1,290,000	\$	\$ 1,290,000	\$	\$%
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 Districts	926,400	.....	911,400	15,000	.....	.....
California Districts	875,000	.....	875,000	.....	.....	.....
Eastern Districts	200,000	.....	.....	200,000	.....	.....
Eastern Municipalities	1,816,000	150,000	1,816,000	150,000	.....	.....
Southern Municipalities	165,000	.....	165,000	.....	.....	.....
U. S. Government	2,413,400	25,710,000	13,798,400	2,200,000	12,125,000	79.65
Industrials .....	.....	450,000	250,000	.....	200,000	1.31
Public Utilities .....	.....	4,890,000	1,547,000	774,000	2,569,000	16.88
Railroads .....	.....	508,000	141,000	117,000	250,000	1.64
Los Angeles Chamber of Commerce Building..	80,000	.....	.....	.....	80,000	.52
	<u>\$11,989,675</u>	<u>\$31,708,000</u>	<u>\$24,956,175</u>	<u>\$ 3,517,500</u>	<u>\$15,224,000</u>	<u>100.00%</u>

BOND DISTRIBUTION
June 30, 1947
SCHEDULE 6

Twenty-four

	Rate	Maturity		
UNITED STATES GOVERNMENT				
U. S. Savings Bonds, Series "G"	2½	1953/59	\$ 650,000	
U. S. Treasury Bonds, Reg.	2½	1967/62	500,000	
U. S. Treasury Bonds	1½	1950	225,000	
U. S. Treasury Bonds	2¼	1962/59	6,000,000	
U. S. Treasury Bonds	2½	1972/67	4,750,000	
TOTAL U. S. Government				\$12,125,000
CORPORATES				
Atlantic Coast Line R. R.	4½	1964	\$ 100,000	
American Tel. & Tel. (Convertibles)	2¾	1961	100,000	
American Tel. & Tel.	2¾	1975	300,000	
American Tel. & Tel.	2¾	1980	200,000	
Boston Edison	2¾	1970	100,000	
California Oregon Power	3⅞	1974	50,000	
Central Maine Power	3½	1970	143,000	
Cleveland Electric Illuminating	3	1970	150,000	
Consolidated Gas of Baltimore	3	1969	138,000	
Detroit Edison	3	1970	150,000	
Illinois Bell Telephone	2¾	1981	150,000	
Northern Indiana Public Service	3⅞	1973	100,000	
Pacific Gas & Electric	3	1979	150,000	
Pennsylvania Power & Light	3	1975	200,000	
Public Service of New Hampshire	3¼	1973	198,000	
Public Service Electric & Gas	3	1972	75,000	
Shell Union Oil	2½	1971	100,000	
Southern Bell Telephone	3	1979	150,000	
Southern Railway	4	1956	150,000	
Union Oil of California	2¾	1970	100,000	
Wisconsin Power & Light	3¼	1971	75,000	
Wisconsin Public Service	3¼	1971	140,000	
TOTAL CORPORATES				3,019,000
LOS ANGELES CHAMBER OF COMMERCE BUILDING CORPORATION	4	1957		80,000
TOTAL PAR VALUE				\$15,224,000*

* Appraised Value \$16,098,100.00. Book Value \$15,346,498.00.

Note: 1760 Shares of First Preferred Stock of Los Angeles Chamber of Commerce Building Corporation appraised value of \$88,000.00 not included in any of above figures of statements.

STREET IMPROVEMENT BONDS

June 30, 1947

SCHEDULE 7

	Principal Amount Purchased	Principal Amount Paid	Principal Amount Foreclosed	Principal Charged Off	Principal Unmatured	Principal Matured Delinquent	Principal Balance
First Alley North of Rowena, Series 1	\$ 1,726	\$ 172	\$ 1,534	\$	\$	\$	\$
Avenue 60, Series 3	234,289	188,971	44,711	607	.....	.....	.....
Beverly Boulevard, Series 13	99,379	84,099	15,265	.....	15	.....	15
Coldwater Canyon, Series 1	80,973	77,889	3,084	.....	.....	.....	.....
Figueroa Street, Series 24	59,935	43,529	14,532	.....	1,874	.....	1,874
Fourth Street, Series 25	103,546	96,148	5,651	.....	1,747	.....	1,747
Broadway, Series 16	851,543	321,607	523,490	293	6,153	.....	6,153
Gower Street, Series 7	84,950	79,998	4,952	.....	.....	.....	.....
La Brea Avenue, Series 13	107,264	100,541	4,026	.....	2,697	.....	2,697
La Brea Avenue, Series 20	233,303	195,948	28,261	.....	9,040	54	9,094
Manchester Avenue, Series 6	616,370	374,466	222,976	2,414	16,469	45	16,514
Myra Avenue, Series 3	150,141	132,647	16,651	162	701	.....	701
Olive Street, Series 9	315,190	284,060	28,563	.....	2,567	.....	2,567
Olive Street, Series 19	515,424	385,211	124,031	.....	6,182	.....	6,182
Sepulveda Boulevard, Series 2	57,024	28,453	24,577	.....	3,986	8	3,994
Silver Lake Boulevard, Series 3	210,108	174,872	32,149	223	2,864	.....	2,864
Slauson Avenue, Series 10	146,961	111,835	28,870	.....	6,256	.....	6,256
Temple Street, Series 12	589,764	417,679	152,770	587	18,242	486	18,728
Vermont Avenue, Series 24	108,504	108,427	77	.....	.....	.....	.....
Vermont Avenue, Series 25	314,233	306,055	6,187	.....	1,991	.....	1,991
Virgil Avenue, Series 11	519,563	351,063	153,945	78	14,477	.....	14,477
Washington Street, Series 15	471,674	333,389	113,872	49	24,164	200	24,364
Western Avenue, Series 19	386,673	300,098	76,411	.....	10,164	.....	10,164
Windward Avenue, Series 1	110,150	98,665	11,485	.....	.....	.....	.....
Flower Street, Series 7	80,544	9,426	71,118	.....	.....	.....	.....
Franklin Avenue, Series 13	12,279	12,122	.....	.....	157	.....	157
Echo Park Terrace, Series 1	5,079	5,079	.....	.....	.....	.....	.....
Franklin Avenue, Series 12	43,142	43,067	75	.....	.....	.....	.....
Gaffey Street, Series 10	11,493	10,931	562	.....	.....	.....	.....
	<u>\$6,521,224</u>	<u>\$4,676,447</u>	<u>\$1,709,825</u>	<u>\$ 4,413</u>	<u>\$ 129,746</u>	<u>\$ 793</u>	<u>\$ 130,539</u>

REAL PROPERTY SALES AUTHORIZED*

SCHEDULE 8

Fiscal Year	No. Parcels	Original Bond 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	9	29,935	1,536	745	3	639	330	33,188	25,195	.....	7,993
1940-41	11	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	56	119,794	8,527	2,949	9,304	4,627	2,100	147,301	160,413	13,112	.....
1944-45	157	571,371	23,424	13,150	26,891	13,210	12,035	660,081	634,962	.....	25,119
1945-46	175	483,812	11,219	30,534	13,231	16,466	18,651	573,913	497,688	.....	76,225
1946-47	34	78,011	4,113	2,314	4,992	5,405	2,968	97,803	137,955	44,148	3,996
TOTAL		\$1,375,759	\$54,507	\$51,535	\$55,845	\$44,406	\$38,334	\$1,620,386	\$1,560,312	\$65,403	\$125,477

* This statement is based upon estimates and cannot be reconciled with the accounting records which take results into account only when escrows are closed.

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. Such bonds or other securities purchased as aforesaid shall 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 twenty years or more 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 as follows: for twenty years' aggregate service, forty per cent (40%) of the average monthly rate of salary assigned to the ranks or positions held by such member during the three years immediately preceding the date of his retirement; and an additional two per cent (2%) of such average rate of salary for each year over twenty and less than twenty-five years in the aggregate served by such member before retirement; for twenty-five years' aggregate service, fifty per cent (50%) of the average monthly rate of salary assigned to the ranks or positions held by such member 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-five and less than thirty-five years in the aggregate served by such member before retirement; for thirty-five years or more aggregate service, two-thirds (2/3) of the average monthly rate of salary assigned to the ranks or positions held by such member during the three years immediately preceding the date of his 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 January 17, 1927, who shall have served in such department for thirty years in the aggregate in any capacity or rank whatever, shall, on his request, or by order of the board, if it be deemed for the good of the department, be retired from further service in such department, and he shall thereafter, during his lifetime, be paid in equal monthly installments from said fund a pension equal to two-thirds (2/3) of the average monthly rate of salary assigned to the ranks or positions held by such member 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 January 17, 1927, 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 assigned to the ranks or positions held

by such member 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.

In computing the aggregate period of service of a member of the Fire or Police Department for the purposes of this section, there shall be included the period or periods of time, if any, while such member was on disability retirement pursuant to the provisions of Sections 182 or 182 1/4 of this Charter.

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

Sec. 181 1/2. No member of said departments entering said departments on or subsequent to January 17, 1927, 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 the maximum pension payable pursuant to the provisions of Section 181 of this article to one entering such department subsequent to January 17, 1927, and having like years of service occupying the position of Battalion Chief of the Fire Department or Captain of the Police Department (or if there be then no positions so designated, the positions the duties of which most nearly correspond to those now attached to the position of Battalion Chief of the Fire Department or Captain of the Police Department) at the time of the retirement of such member.

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 fifty per cent (50%), 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. 182 $\frac{1}{4}$. Any member of the Fire or Police Department who shall have served in such department for five years or more in the aggregate from the date of his last appointment to such department and who has become physically or mentally incapacitated by reason of injuries or sickness other than injuries received or sickness caused by the discharge of the duties of such person in such department, and who is incapable as a result thereof from performing his duties, shall be retired upon written application of such person or of any person acting in his behalf or of the head of the department in which such member is employed.

The Board shall cause such member to be examined by and a written report thereon rendered by three regularly licensed, practicing physicians selected by said Board, and shall hear such other evidence relating to such disability of such member as may be presented to said Board. If, upon considering the report of such physicians and such other evidence as shall have been presented to it, said board finds that said member has become physically or mentally incapacitated by reason of the injuries or sickness other than injuries received or sickness caused by the discharge of the duties of such member in such department, and he is incapable as a result thereof of performing his duties, and if said Board finds that such disability was not due to or caused by the moral turpitude of such member, he shall 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 equal to forty per cent (40%) of the highest salary (exclusive of any amount payable by reason of assignment to special duty) attached to the rank of policeman or fireman 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 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.

This section shall be applicable only where a member is not entitled to a disability pension under the provisions of Section 182.

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 assigned to the ranks or positions held by such member during the three years immediately preceding the time of his death or the date of his retirement from active duty in such department. Said pension shall be paid to the widow during her lifetime or until she remarries, and thereafter a

pension shall be paid in equal monthly installments, in an amount equal to one-half ($\frac{1}{2}$) of the average monthly rate of salary assigned to the ranks or positions held by such member 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. Provided, however, that the pension payable hereunder to the widow, child or children or dependent parent or parents of a member of the Fire or Police Department who became a member of such department on or subsequent to January 17, 1927, who, after retirement on account of years of service, but having served less than twenty-five years in the aggregate prior to the time of such retirement, or who, while eligible to retirement from such department on account of years of service, but prior to having served twenty-five years in the aggregate shall die from causes other than those arising out of or from the performance of his duties, shall not exceed the amount of the pension which such retired member was receiving at the time of his death or which such member eligible for retirement would have been eligible to receive at the date of his death under the provisions of Section 181 and 181 $\frac{1}{2}$ of this charter, and the additional amount payable to such widow on account of children pursuant to the provisions of this section shall be the applicable percentage hereinabove set forth of a pension in such maximum amount.

Sec. 183 $\frac{1}{2}$. Whenever any member of the Fire or Police Department (other than a member retired on account of years of service or a member eligible to retirement on account of years of service, but including a member retired on account of disability pursuant to the provisions of Section 182 $\frac{1}{4}$ of this charter) who shall have served in such department for five years or more in the aggregate from the date of his last appointment to such department, shall die from causes other than those arising out of or from the performance of his duties, 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 forty per cent (40%) of the highest salary (exclusive of any amount payable by reason of assignment to special duty) attached to the rank of policeman or fireman at the date of such member's death. Said pension shall be paid to the widow during

her lifetime or until she remarries, and thereafter a pension in the same amount shall be paid in equal monthly installments 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 shall be entitled to a pension pursuant to the provisions of this section 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 no widow of a member who shall die while on disability retirement pursuant to the provisions of Section 182 $\frac{1}{4}$ of this charter shall be entitled to a pension pursuant to the provisions of this section unless she shall have been married to such deceased member for at least one year prior to the date of his retirement.

Sec. 184. That all pensions granted in accordance with the provisions of sections 181, 182, 182 $\frac{1}{4}$, 183 and 183 $\frac{1}{2}$ 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 to perform the duties of a regular fireman in the City of Los Angeles, under whatever designation they may be described in any salary or departmental ordinance providing compensation for said Fire Department; and the Police Department shall consist of all members of such Police Department appointed under civil service rules and regulations and sworn in, as provided by law, to perform the duties of a regular police officer of the City of Los Angeles, under whatever designation that they may be described in any salary or departmental ordinance providing compensation for the members of said Police Department. The provisions as herein in this charter contained shall apply to all members of the Fire and Police Departments as in this section defined, and to all members of said departments who have been heretofore granted pensions.

Sec. 186. For the purpose of providing 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 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 six 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 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 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 six per cent (6%) 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.

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.

Section 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

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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.