

ANNUAL REPORT

BOARD of PENSION COMMISSIONERS

**CITY OF LOS ANGELES
CALIFORNIA**



FOR THE FISCAL YEAR ENDED JUNE 30, 1951

With

**CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM**

November 20, 1951

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

Gentlemen:

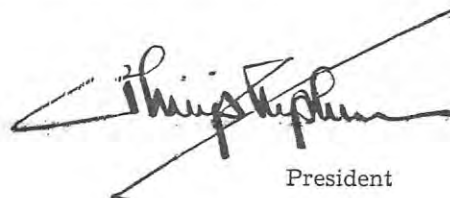
We present herewith the annual report of the Board of Pension Commissioners for the fiscal year ended June 30, 1951. This report is required by the provisions of Section 64 of the City Charter and is presented in sufficient detail to allow a comprehensive understanding of operations. The report consists of the annual report of the Manager and the audit report of Peat, Marwick, Mitchell and Company.

There were three thousand one hundred fifteen pensioners on the rolls at the beginning of the year. During the course of the year, one hundred ninety-five new pensions were granted, seventy-four pensions were terminated by reason of death, one disability pensioner was restored to active duty, and twelve dependents' pensions were terminated by reason of remarriage or age. The net change in the pension rolls amounted to a net increase of one hundred eight for the year.

The members of the Board wish to express their appreciation to other departments of the government for their courteous cooperation during the year.

Respectfully submitted,

BOARD OF PENSION COMMISSIONERS



President

PS:GE

Personnel of the
BOARD OF PENSION COMMISSIONERS

Philip Stephens, M.D., President
(Term Expires July 1, 1953)

L. W. Van Aken, Vice-President
(Term Expires July 1, 1952)

Leo V. Butler
(Term Expires July 1, 1954)

Geo. W. Jones, M.D.
(Term Expires July 1, 1955)

Ora C. Matthes
(Term Expires July 1, 1956)

September 4, 1951

Board of Pension Commissioners
of the City of Los Angeles

Honorable Members:

There is presented herewith a summary report upon operations of the Department of Pensions for the fiscal year ended June 30, 1951. This report contains basic data concerning operations and is supported by statistical analyses of results of such operations. Your attention is directed to the provisions of Section 64 of the Charter which requires that the Board annually submit a report upon the affairs of the Department to the Mayor and the City Council. The data submitted herewith together with the comments thereon should afford a substantial basis for the annual report of your Honorable Board.

Attention is called to the fact that auditors employed jointly but under separate contracts by the City Council and your Honorable Board have reviewed operations for the fiscal year 1950-51 and that the balance sheets and statements of operations and fund capital have been prepared by the auditors and their statements thereof submitted herewith as a part of this report.

On July 1, 1950, fifteen pension applications were pending. During the course of the fiscal year 200 additional petitions were received. Of the total of 215 petitions 195 were granted, 3 denied, 3 withdrawn, 2 deaths while pending and 12 pending as of June 30, 1951. The details of pensions granted and terminated during the course of the fiscal period are as follows:

	20 Yr. Serv.	20-25 Years Serv.	Serv. Disa.	Non- Serv. Disa.	Serv. Widows	Non- Serv. Widows	Serv. Depts.	Non- Serv. Depts.	Total
Balance 7-1-50	2161	86	214	27	588	9	29	1	3115
Granted	54	54	25	3	53	3	2	1	195
Deaths	52	---	10	---	11	---	1	---	74
Deaths—Pending	---	---	2*	---	---	---	---	---	2*
Restored to Duty	---	---	---	1	---	---	---	---	1
Withdrawn	1*	1*	1*	---	---	---	---	---	3*
Remarriage	---	---	---	---	6	1	---	---	7
Decreased	---	---	---	---	12*	---	---	---	12*
Increased	---	---	3*	---	---	---	---	---	3*
Discontinued	---	---	---	---	---	---	5	---	5
Denied	---	---	1*	---	2*	---	---	---	3*
	<u>2163</u>	<u>140</u>	<u>229</u>	<u>29</u>	<u>624</u>	<u>11</u>	<u>25</u>	<u>2</u>	<u>3223</u>

*These figures are statistical and are not included in totals which indicate the total number on the pension roll as of June 30, 1951.

Age of Pensioners

The following is an analysis of the ages of all pensioners at the close of June 30, 1951:

Ages	Service	Disability	Widows	Dependents	Minors	Total
0-20	---	---	---	---	20	20
20-25	---	---	2	---	---	2
25-30	---	7	5	---	---	12
30-35	---	13	9	---	---	22
35-40	---	5	11	---	---	16
40-45	---	19	30	---	---	49
45-50	109	21	73	---	---	203
50-55	751	83	118	---	---	952
55-60	652	55	118	---	---	825
60-65	468	24	103	---	---	595
65-70	199	17	71	2	---	289
70-75	86	9	53	1	---	149
75-80	32	3	26	1	---	62
80-85	3	2	13	1	---	19
85-90	3	---	2	2	---	7
90-95	---	---	1	---	---	1
	<u>2,303</u>	<u>258</u>	<u>635</u>	<u>7</u>	<u>20</u>	<u>3,223</u>
Average	58	55	58	77	12	

Service Pensions

The total number of members retiring upon service pension is represented by departments for the last eleven 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	86	176	262
June 30, 1947	36	62	98
June 30, 1948	38	59	97
June 30, 1949	25	40	65
June 30, 1950	35	65	100
June 30, 1951	51	57	108

In accordance with the Charter amendment of June 16, 1947, 142 members have retired upon service pension who entered the service of the City subsequent to January 16, 1927. These retirements are included in the totals shown above and are analyzed by departments and years as follows:

	Fire	Police	Total
June 30, 1948	5	16	21
June 30, 1949	9	16	25
June 30, 1950	12	30	42
June 30, 1951	27	27	54

Disability Pensions

There are 229 service connected disability pensions and 29 non-service connected disability pensions classified by rates in the following schedule as of June 30, 1951:

Rate	Fire	Police	Total
40%	10	21	31
50%	25	38	63
52½% .....	.....	1	1
55%	6	1	7
60%	21	29	50
65%	16	34	50
66⅔%	1	.....	1
70%	1	4	5
75%	10	21	31
80% .....	.....	3	3
85%	3	5	8
90%	2	6	8
TOTAL	95	163	258

The following is a classification of disability pensions by age:

Age	Fire	Police	Total
25-30	2	5	7
30-35	4	9	13
35-40	2	3	5
40-45	6	13	19
45-50	10	11	21
50-55	28	55	83
55-60	17	38	55
60-65	12	12	24
65-70	8	9	17
70-75	5	4	9
75-80	1	2	3
80-85 .....	.....	2	2
TOTAL	95	163	258
Average .....	.....	.....	55

Eligibility

Eligibility is now computed upon the basis of a member becoming eligible during the fiscal year in which a service certificate is issued to him. This seems to be the most accurate procedure in the absence of the application of the machine method of accumulating these data. There were as of June 30, 1951, 694 members eligible to retire. Three hundred twenty-six of these members were 20-year men and 368 were 25-year men. The following schedule shows the number of men eligible to retire at the end of each fiscal year as indicated:

	Fire	Police	Total
June 30, 1941	165	128	293
June 30, 1942	116	88	204
June 30, 1943	76	85	161
June 30, 1944	218	138	356
June 30, 1945	312	340	652
June 30, 1946	310	312	622
June 30, 1947	290	270	560
June 30, 1948	256	234	490
June 30, 1949	240	215	455
June 30, 1950	392	367	759
June 30, 1951	353	341	694

The above schedule indicates the number of members eligible to retire at the end of each fiscal year. Included in these figures are the twenty-five-year members eligible to retire under the June 16, 1947, Charter amendment. The number of years of service of such members is as follows:

Years of Service	Fire	Police	Total
20	16	30	46
21	52	39	91
22	82	52	134
23	12	57	69
24	9	19	28
TOTAL	171	197	368

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

Years of Service	Fire	Police	Total
22	---	2	2
23	---	---	---
24	10	4	14
25	24	26	50
26	49	62	111
27	63	21	84
28	8	17	25
29	5	7	12
30	3	1	4
31	1	1	2
32	2	1	3
33	3	1	4
34	2	---	2
35	3	1	4
36	3	---	3
37	3	---	3
38	1	---	1
39	1	---	1
40	---	---	---
41	1	---	1
TOTAL	182	144	326

Eligible 1951-1952

If all twenty-year members had served continuously they would have been eligible already. There are, however, two members who have lost time and consequently are not eligible. One fireman will become eligible in 1954 and one policeman in 1951 granted that both such individuals have continuous service.

During the fiscal year 1951-52 sixty-three twenty-five year members will become eligible if their service is continuous. Thirty-four of these members are firemen and twenty-nine are policemen.

The following schedule indicates the changes in eligibility since June 30, 1951:

	Fire	Police	Total
Eligible June 30, 1950	392	367	759
Became eligible during 50-51	20	37	57
	<u>412</u>	<u>404</u>	<u>816</u>
Deduct 1950-1951:			
Service Retirements	51	57	108
Disability Retirements	5	5	10
Deaths in active service	3	1	4
Total eligible as of 6-30-51	<u>353</u>	<u>341</u>	<u>694</u>

Classifications of Pensions by Amounts

Many questions have been raised recently with reference to the varying amounts of pension payments and the number of pensioners receiving more or less than specified amounts. It is hoped that the following schedule will answer the demand for such data. This schedule shows the classification of pensions paid by the number of pensioners in \$10.00 brackets up to the monthly amount of \$250.00.

	Service	Disability	Widows	Minors	Dependents	Total
60- 69	---	---	6	---	---	6
70- 79	---	---	6	---	---	6
80- 89	---	2	16	1	2	21
90- 99	---	1	14	---	3	18
100-109	778	27	221	8	1	1,035
110-119	395	4	99	2	1	501
120-129	353	30	106	4	---	493
130-139	176	54	17	4	---	251
140-149	133	8	19	---	---	160
150-159	127	18	40	---	---	185
160-169	68	9	12	---	---	89
170-179	41	23	28	---	---	92
180-189	31	13	7	1	---	52
190-199	40	5	7	---	---	52
200-209	44	19	12	---	---	75
210-219	30	7	8	---	---	45
220-229	19	7	1	---	---	27
230-239	21	3	4	---	---	28
240-249	10	4	3	---	---	17
250 or over	37	24	9	---	---	70
	<u>2,303</u>	<u>258</u>	<u>635</u>	<u>20</u>	<u>7</u>	<u>3,223</u>
Average Pension	130.99	163.15	124.79	117.02	97.64	126.72

Military Leaves

Charter authority for granting of credit toward service pensions for periods of military service expired on December 31, 1947, such date being one year after the cessation of hostilities as fixed by Proclamation of the President of the United States. Effective April 21, 1951, Section 17 of the City Charter was amended to provide retirement credit for periods of

military service subsequent to June 25, 1950, with this amendment providing certain limits upon the duration of such authority.

On June 25, 1950, there were 14 members on military leave. Under the provisions of this Charter amendment such members and other members going on military leaves are entitled to retirement credit. The following schedule shows the operation of this new military leave authorization for the fiscal year 1950-1951:

Month	Granted	Restored	Pensioned on M-L	Died on M-L
July	29	....	....	....
August	45	....	....	....
September	114	1	....	....
October	38	2	....	....
November	12	10	....	....
December	3	4	....	....
January	10	6	1	....
February	14	6	....	....
March	30	3	1	....
April	24	3	....	....
May	12	4	1	....
June	9	8	....	1
	<u>340</u>	<u>47</u>	<u>3</u>	<u>1</u>

On Leave June 30, 1950	14
Granted during 1950-51	340
	<u>354</u>

Restored—Now Active	47
Pensioned on Military Leave	3
Died on Military Leave	1
	<u>51</u>
On Leave June 30, 1951	303

Membership

As of June 30, 1951, there were 2,447 firemen and 4,369 policemen as members of the system 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	Total
25 Year Members			
Men with less than 5 years	1151	2693	3844
With 5 years or more	892	1081	1973
With 20 years service	171	197	368
On Military Leave (Eligibility dates not counted)	50	253	303
20 Year Members			
Men eligible to retire	182	144	326
Not yet eligible	1	1	2
TOTAL	<u>2447</u>	<u>4369</u>	<u>6816</u>

A S S E T S

Cash \$ 1,432,851

This amount includes a Petty Cash Fund of \$75.00 and a Deed Revolving Fund of \$250.00.

Accounts Receivable \$ 42

This item represents a street improvement bond which was surrendered to the County Clerk on behalf of the City of Los Angeles in connection with condemnation proceedings. The bond will be paid when this case is settled.

Bond Investments \$18,493,000

In Schedule 5 is presented a distribution of the bond portfolio at the close of the fiscal year. Holdings in government bonds were increased \$700,000 and corporate bond holdings were increased \$203,000. An appraisal of the bond portfolio shows a book value of \$645,126 over the market value of these securities.

Street Improvement Bonds \$ 47,295

This account represents unmatured principal coupons on bonds on which payments have been made for the past twenty years. Of this amount \$172 represents delinquent principal. The summary details of this account are presented in Schedule 6.

Treasurer's Deeds \$ 3,661

At the beginning of the year there were 40 treasurer's deeds. During the year 15 new deeds were added, 3 were sold and 34 were transferred to real property. At the end of the year there were 18 treasurer's deeds on hand.

Trust Deeds Receivable \$ 59,745

The unpaid principal on deeds of trust secured by the sale of real property are carried in this account. There were 47 deeds at the beginning of the year. During the year 8 new deeds were received from the sale of real property and 13 deeds were paid in full. At the end of the fiscal year there remained 42 deeds.

Real Property \$ 36,006

At the beginning of the year there were 46 parcels of property to which we had title. During the year 34 were transferred from treasurer's deeds, 36 from certificates of sale and 19 were sold. At the end of the year there were 97 parcels remaining.

Bond Premiums and Discounts \$ 174,904

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

Accrued Interest \$ 137,237

This account consists of \$133,936 on bonds, both government and corporate, and \$3,301 on street improvement bonds. This interest is due but not received as of June 30, 1951.

Undelivered Street Improvement Bonds \$ 71

This account represents the purchase of an overlapping street bond that has not yet been delivered.

Total Assets \$20,384,812

LIABILITIES

Accounts Payable \$ 122

This account consists of one item of office expense.

Prepaid Payments \$ 1,311

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.

Deposits on Real Property \$ 1,250

Offers to purchase real property and sales of property on which escrows have not been closed are held in this account.

Accumulated Surplus \$17,947,553

This account represents the amount of surplus accumulated from prior years operations to provide for future pension requirements. This account shows a net increase of \$385,160 due to the excess of revenues over expenditures.

Reserve for Investment Losses \$ 2,434,576

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 of the fund and in turn reduces the requirements from taxes. This account shows an increase of \$28,599 as a result of profits from the sale of general obligation bonds of \$23,155 and real property of \$5,444.

Total Liabilities \$20,384,812

LITIGATION

Spencer v. City, etc., et al

In this declaratory relief proceeding, petitioner sought a decree to the effect that she is the widow of Homer A. Spencer and, as such, entitled to a widow's pension. The only issue was whether the Nevada decree of divorce obtained by Mr. Spencer on January 4, 1945, was or was not valid and did or did not dissolve their marriage. The case was tried and submitted on June 17, 1950, and we prepared, served and filed our trial brief. Judgment was rendered in favor of the City on August 7, 1950. We thereafter prepared, served and filed Findings of Fact, Conclusions of Law and Judgment. Judgment was entered on September 25, 1950, in Book 2197, Page 1 of Judgments and, thereafter, notice of such entry was prepared, served and filed by us.

Petersen v. City, etc., et al

In this declaratory relief proceeding, petitioners, husband and wife, sought a decree to the effect that their marriage is valid. Summons and petition were served on the Board on May 8, 1951. We prepared, served and filed our answer wherein we alleged that Mrs. Petersen had previously been married, that such marriage had not been dissolved and that the marriage of the petitioners is illegal and void and that they are not husband and wife. The case was tried on June 27, 1951, upon which date judgment was rendered in favor of petitioners.

Quinn v. City, etc., et al

In this mandamus proceeding, petitioner seeks judgment and a peremptory writ of mandate commanding and ordering the Board to pay a pension to petitioner as the widow of Frank I. Quinn. We prepared, served and filed our return wherein we alleged that Mrs. Quinn had previously been married, that such marriage had not been dissolved and that the marriage of the Quinns was illegal and void and that they had never been husband and wife. The case is set for trial on July 13, 1951.

People, etc., v. Rouse, et al

This is a condemnation case brought by the State of California against a parcel of land upon which a street improvement bond owned by the Department is a lien. All parties stipulated that judgment in the sum of \$46.93, the amount necessary to prepay said bond in full, is to be entered in favor of the Department and is to be paid out of any award made to the owner of the property. The case has been set for trial on July 30, 1951.

Bowen, et al, v. City, etc., et al

In this declaratory relief proceeding, 96 petitioners, all 25-year men, seek a decree to the effect that they are entitled to the same pension benefits as 20-year men because they were certified and appointed, subsequent to January 17, 1927, from eligibility lists established prior thereto. We prepared, served and filed our answer on June 22, 1951, but, as of the close of the fiscal year, the proceeding has not been set for trial.

Skaggs v. City, etc., et al

In this proceeding, petitioner seeks judgment and a peremptory writ of mandate commanding and ordering the Board to pay him a service pension. We prepared, served and filed our answer on April 5, 1951. The only issue is whether a police officer is entitled to a service pension when, at the time the Board considers his application therefor, he had been dismissed from the Department. The case has been set for trial on September 27, 1951.

Brown v. City, etc., et al

In this mandamus proceeding, petitioner seeks judgment and peremptory writ of mandate commanding and ordering the Board to pay a pension to petitioner as the widow of Edward Everett Brown. We prepared, served and filed our return on October 13, 1950, wherein we alleged that the marriage of the Browns was dissolved by a Nevada decree of divorce on August 30, 1945. The case was tried on December 13, 1950, and judgment rendered in favor of petitioner, and judgment was entered on January 5, 1951.

In the Matter of the City of Los Angeles

This was an ex parte proceeding brought by the Department praying the court to make an order directing the Registrar of Land Titles to issue a certified copy of Owner's Duplicate Certificate of Title on our RE 388 to replace the Owner's Duplicate Certificate of Title which cannot be found. The court made its order to that effect on September 27, 1950, and, after obtaining a certified copy of said order, we filed the same with the Registrar of Land Titles.

Guardianships

Thirty guardianship accounts, four petitions and three orders were received and examined. Four minor guardianships were discontinued on account of the minors reaching majority; two incompetents were added, and one proceeding in incompetency was discontinued on account of the death of the ward. Personal interviews were had with guardians and their attorneys and considerable correspondence concerning guardianship matters. As of this date there are 31 proceedings, 20 covering 22 minors and 11 covering incompetents.

Opinions and Reports

An opinion was written to the Chief of Police to the effect that members of the Police Department who enter the armed forces were not entitled, under the then-existing provisions of the Charter, to credit toward service retirement for the time spent by them therein.

An opinion was written to the Board of Pension Commissioners to the effect that a retired Police officer does not forfeit his vested right to his pension after being convicted of a felony.

An opinion was written to the Board of Pension Commissioners to the effect that death resulting from a gunshot wound sustained at home was not in the performance of duty, and that the loss of a limb resulting from a gunshot wound sustained at home was not a disability sustained in the performance of duty.

An opinion was written to the Board of Pension Commissioners that the widow of a deceased retired fireman, even though separated from him over 42 years, was entitled to a widow's pension under the provisions of Article XVII.

We made a report in the case of *Spencer v. City, etc., et al*, to the effect that no appeal had been taken by petitioner from the judgment to the effect that her marriage to Homer A. Spencer had been dissolved by a Nevada decree of divorce and that she was not entitled to a widow's pension and that, therefore, such judgment became final November 24, 1950.

We made a report in the case of *Brown v. City, etc., et al*, to the effect that, in our opinion, there being no conflict in the evidence or error in law, the judgment of the court, to the effect that a Nevada decree obtained by Mr. Brown against petitioner was void and did not dissolve the marriage and that petitioner was Mr. Brown's widow and, therefore entitled to a pension, could not be reversed on appeal and that your Honorable Body should accept the same as final and conclusive.

Miscellaneous

Marital records, although in lesser volume than last year, still required considerable time in examining documents presented to us, conferring with pensioners and attorneys in regard thereto and writing general correspondence.

The Department turned over to us for collection a claim against A. G. Beaman Agency, Ltd., for the sum of \$614.85, in connection with Policy No. 6-33817 of Rhode Island Insurance Company, because of cancellation of the policy when said company was taken over by the Insurance Commissioner of the State of California, as conservator therefor. On August 24, 1950, we collected the sum of \$119.74 and, on September 14, 1950, the sum of \$445.66, making a total of \$565.40. The balance of \$49.45 will be refunded to us when sufficient funds of the company to pay the same are obtained by the Insurance Commissioner.

Real Property

Many weeks were consumed in studying all records and title reports on every parcel of real property in or upon which interests or liens were owned by persons other than the Department, for the purpose of submitting to the Title Insurance and Trust Company all of such data, with the view of entering into a lump-sum contract to issue policies of title insurance free and clear of any and all liens or encumbrances except tax liens.

Seventy Treasurer's Deeds and Certificates of Sale were made marketable and insurable and converted into REs. Sixteen escrows were opened and escrow instructions drawn by us for the sale of 19 parcels of property. Thirteen reconveyances were prepared and submitted to the Department for proper execution.

Twenty Treasurer's Deeds, on 18 parcels, were obtained during the year after search was made to find all persons interested in such property. Notices to Redeem were prepared and served on such persons, personally, and posted on the respective properties.

A deed from the Board of Public Works and five deeds from the City Clerk were obtained upon six Certificates of Sale owned by us, after the same preliminary work was done as above, and applications, prepared by us, were made therefor.

OPERATIONS

The portfolio is presented in detail in Schedule 5. As of June 30, 1951, the portfolio was appraised at \$18,022,778 by Lionel O. Edie and Company which is \$470,222 under the par value and \$645,126 under the book value of the portfolio.

Taxes

Taxes in the amount of \$237 were paid on sixteen parcels of property to which we had title. One new tax deed was acquired during the year.

Lighting Assessments

Current lighting assessments on properties in which we had a real or statutory title were paid on eight parcels of property in the amount of \$154, while refunds resulting from the sale of property were received on

three parcels amounting to \$23 for a net expenditure of \$131.

Street Improvement Bonds

During the year we purchased seventy overlapping bonds for a total expenditure of \$2,996.

Real Property

There were forty-six properties unsold at the beginning of the year. During the year seventy properties were made salable by guarantee of tax title. Nineteen properties were sold and escrows closed during the year leaving a balance of ninety-seven properties unsold at the end of the year. Completed sales of nineteen properties involved a total consideration of \$32,610 and a net profit of \$5,524. Three treasurer's deeds were sold at a loss of \$80. Thirteen reconveyances were prepared and executed after the notes which were secured by deeds of trust were fully paid. Profits and losses resulting from the sale of properties are closed into the reserve for investment losses.

Surety Bonds


Six of the ten employees were under bond as follows:

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

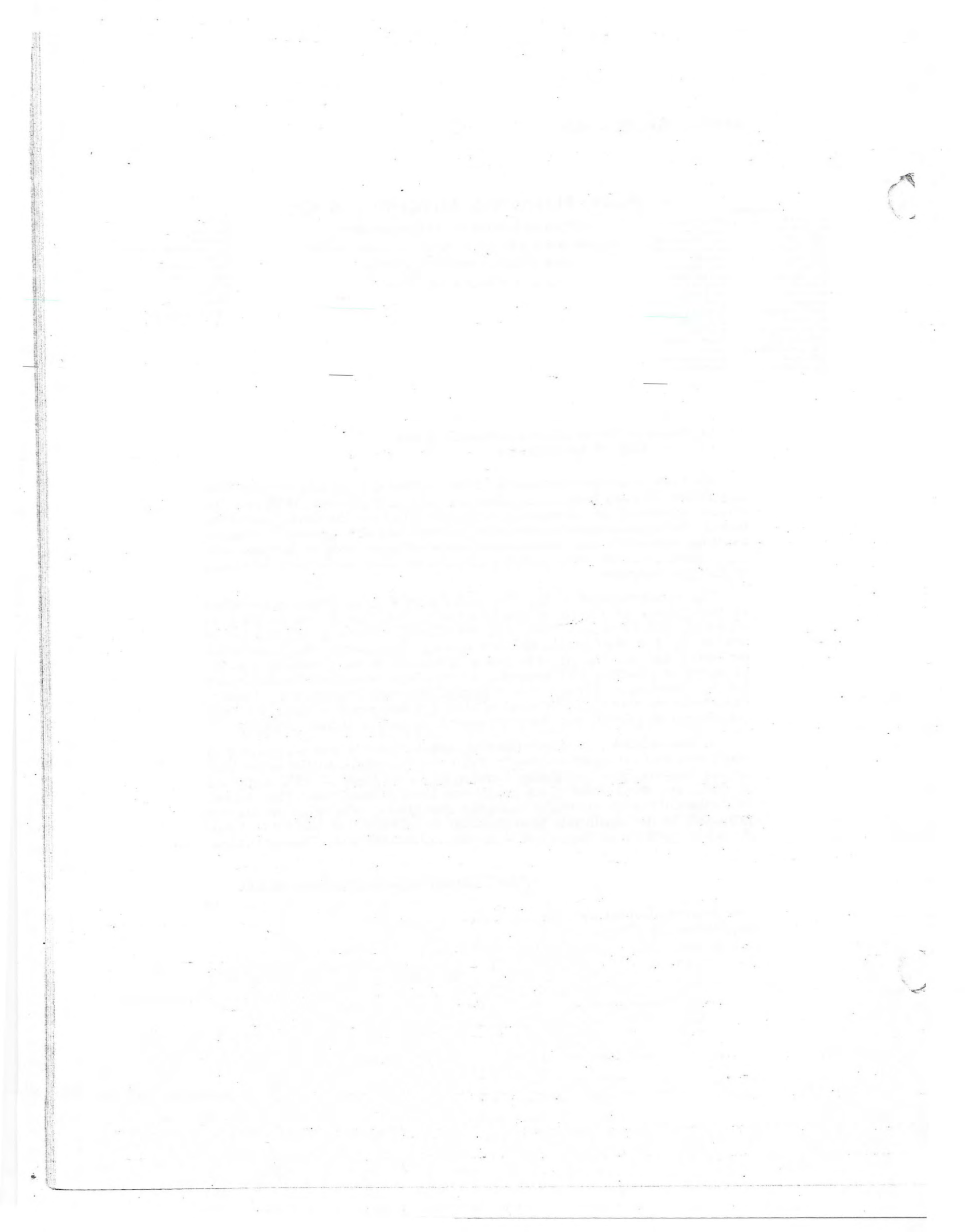
Personnel

Ten individuals were employed in the department including one Assistant City Attorney. At the end of the year, one employee was being carried on extended sick leave. All rates of compensation paid were within the range of salaries determined for similar positions in the general government.

Respectfully submitted,



Manager-Secretary



PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS

(INCORPORATING BARROW, WADE, GUTHRIE & Co.)

618 SOUTH SPRING STREET
LOS ANGELES 14, CALIF.

NEW YORK

ATLANTA	MINNEAPOLIS
BALTIMORE	NEWARK
BOSTON	NEW ORLEANS
CHARLOTTE	OKLAHOMA CITY
CHICAGO	OMAHA
CINCINNATI	PHILADELPHIA
CLEVELAND	PITTSBURGH
DALLAS	PORTLAND
DENVER	ST. LOUIS
DETROIT	SALT LAKE CITY
GREENSBORO	SAN FRANCISCO
HOUSTON	SAN JOSE
INDIANAPOLIS	SEATTLE
KANSAS CITY	TERRE HAUTE
LOS ANGELES	TULSA
MEMPHIS	WASHINGTON
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To the Board of Pension Commissioners of the
City of Los Angeles

We have examined the balance sheets of the City of Los Angeles Fire and Police Pension Fund as of June 30, 1951 and June 30, 1950, and the related statements of operations and fund capital for the fiscal years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The administration of the Fire and Police Pension Fund is governed by the general provisions of the Charter of the City of Los Angeles, as amended, and more particularly by Article XVII thereof. Section 186 of Article XVII of the Charter specifies, among other things, that taxes shall be levied annually to provide funds estimated to be necessary for the payment of pensions and expenses of the Department of Pensions, and for reimbursement of the excess, if any, of the expenditures of the Department over its revenues. In view of this, specific reserves have not been established to provide for the payment of current or future pensions.

In our opinion, the accompanying balance sheets and statements of operations and fund capital present fairly the financial position of the City of Los Angeles Fire and Police Pension Fund at June 30, 1951 and June 30, 1950, and the results of its operations for the fiscal years then ended, in conformity with generally accepted accounting principles maintained pursuant to the applicable provisions of the Charter of the City of Los Angeles applied on a consistent basis throughout the period under review.

PEAT, MARWICK, MITCHELL & CO.

Los Angeles, California
September 19, 1951

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

**BALANCE SHEETS
As of June 30, 1951 and 1950**

EXHIBIT I

ASSETS

	June 30, 1951	June 30, 1950
Cash:		
Deposits with Treasurer of the		
City of Los Angeles	\$ 1,432,526	\$ 1,897,266
Cash revolving funds	325	325
Cash in suspense	71	71
	\$ 1,432,922	\$ 1,897,662
Account receivable	42	.....
Investments:		
Bond investments, general—		
at par (value based on market		
quotations \$18,022,778 and		
\$17,906,585 respectively)	18,493,000	17,590,000
Street improvement bonds—		
at par	47,295	55,952
Certificates of sale—at cost		6,929
Treasurer's deeds—at cost	3,661	17,044
Trust deeds receivable—at cost....	59,745	77,142
Real property—at cost	36,006	36,602
	\$18,639,707	\$17,783,669
Bond premiums, less discounts		
of \$21,357 and \$22,004		
respectively	174,904	\$ 176,347
	\$18,814,611	\$17,960,016
Accrued interest	137,237	112,585
	\$20,384,812	\$19,970,263

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

**BALANCE SHEETS
As of June 30, 1951 and 1950**

EXHIBIT I

LIABILITIES

	June 30, 1951	June 30, 1950
Account payable	\$ 122	\$ 76
Deferred Credits:		
Prepaid payments—street bonds..\$ 1,311	1,311	\$ 1,311
Partial payments—street bonds....	.....	56
Deposits on real property		
sales and leases	1,250	450
	2,561	1,817
 Fund Capital:		
Accumulated surplus	17,947,553	17,562,393
Reserve for investment losses	2,434,576	2,405,977
	20,382,129	19,968,370
	\$20,384,812	\$19,970,263

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

**STATEMENT OF OPERATIONS
For the Fiscal Years ended June 30, 1951 and 1950**

EXHIBIT II

	Fiscal Year Ended June 30, 1951	Fiscal Year Ended June 30, 1950
Revenues:		
Taxes	\$ 3,266,233	\$ 3,075,827
Interest	492,563	484,722
Rental of Property	81	468
Members' Contributions	1,668,861	1,669,958
Sales of Unclaimed Property	14,362	26,634
Bonus	86	502
Donations	311	565
Miscellaneous	1,640	411
Revenues available for current year's expenditures	\$ 5,444,137	\$ 5,259,087
Expenditures:		
Pensions paid:		
Service	\$ 3,544,662	\$ 3,379,192
Disability	433,147	381,753
Widows	907,165	832,693
Minors	32,405	35,851
Dependents	9,523	11,018
Non-service:		
Disability	43,699	38,954
Widows	20,790	15,011
Minors	2,856	1,136
Administrative Expenses	\$ 4,994,247 64,027	\$ 4,695,608 60,416
Excess of Revenues over Expenditures	\$ 385,863	\$ 503,063

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

**STATEMENT OF FUND CAPITAL
For the Fiscal Years ended June 30, 1951 and 1950**

EXHIBIT III

	Fiscal Year Ended June 30, 1951			Fiscal Year Ended June 30, 1950		
	Accumulated Surplus	Reserve for Investment Losses	Total	Accumulated Surplus	Reserve for Investment Losses	Total
Balance as of beginning of period.....	\$17,562,393	\$2,405,977	\$19,968,370	\$17,059,234	\$2,321,043	\$19,380,277
Add:						
Net gain on disposition of investments.....	.....	28,599	28,599	.....	84,934	84,934
Adjustment of amortization of bond premium applicable to prior years.....	.....	.....	.....	96	.....	96
Excess of revenues over expenditures.....	385,863	.....	385,863	503,063	.....	503,063
	<u>\$17,948,256</u>	<u>\$2,434,576</u>	<u>\$20,382,832</u>	<u>\$17,562,393</u>	<u>\$2,405,977</u>	<u>\$19,968,370</u>
Deduct:						
Return of revenue received in prior year.....	703	.....	703	.....	.....	.....
Balance as of close of period.....	<u>\$17,947,553</u>	<u>\$2,434,576</u>	<u>\$20,382,129</u>	<u>\$17,562,393</u>	<u>\$2,405,977</u>	<u>\$19,968,370</u>

Note:

The reserve for investment losses at June 30, 1951 is comprised of the net gains realized from investment transactions consummated after June 30, 1940, \$2,536,716, less the excess of expenditures made over revenues received during the fiscal year ended June 30, 1941, amounting to \$102,140, which was not reimbursed by subsequent tax revenues.

FIRE AND POLICE PENSION FUND
STATEMENT OF OPERATIONS COMPARED
 Fiscal Years 1944-45 to 1950-51 Inclusive

SCHEDULE 1

	1950-51	1949-50	1948-49	1947-48	1946-47	1945-46	1944-45
Revenues							
Taxes.....	\$3,266,233	\$3,075,827	\$3,019,755	\$3,673,050	\$3,287,705	\$2,737,131	\$2,117,422
Interest.....	492,563	484,722	450,013	414,536	437,787	396,246	353,580
Rental of Property.....	81	468	1,408	3,342	9,194	10,620	20,862
Members' Contributions.....	1,668,861	1,669,958	1,519,397	1,231,765	629,090	456,587	440,819
Sales of Unclaimed Property.....	14,362	26,634	15,743	21,410	15,458	13,212	11,772
Bonus.....	86	502	194	677	1,521	1,497	2,744
Donations.....	311	565	.....	217	592	597	611
Miscellaneous.....	1,640	411	2,031	398	1,428	1,177	135
TOTAL REVENUES.....	\$5,444,137	\$5,259,087	\$5,008,541	\$5,345,395	\$4,382,775	\$3,617,067	\$2,947,945
DEDUCT: Amount applicable to prior year's expenditures (Charter Sec. 186).....	.....	.....	287,128	1,265,966	1,455,802	1,190,426	701,994
REVENUES AVAILABLE for current year's expenditures.....	\$5,444,137	\$5,259,087	\$4,721,413	\$4,079,429	\$2,926,973	\$2,426,641	\$2,245,951
Expenditures							
Pensions Paid							
Service.....	\$3,544,662	\$3,379,192	\$3,282,563	\$3,199,042	\$3,111,581	\$2,880,806	\$2,478,489
Disability.....	433,147	381,753	374,419	360,169	349,134	341,454	341,310
Widows.....	907,165	832,693	754,276	695,807	610,917	550,595	506,950
Minors.....	32,405	35,851	30,545	29,995	53,748	55,314	52,614
Dependents.....	9,523	11,018	11,859	14,776	13,295	11,844	11,769
Non-Service							
Disability.....	43,699	38,954	19,004	4,945	.....	.....	.....
Widows.....	20,790	15,011	7,162	2,955	.....	.....	.....
Minors.....	2,856	1,136	.....	.....	.....	.....	.....
Total Pensions.....	\$4,994,247	\$4,695,608	\$4,479,828	\$4,307,689	\$4,138,675	\$3,840,013	\$3,391,132
Administrative Expense.....	64,027	60,416	56,804	58,868	54,264	42,430	45,245
TOTAL EXPENDITURES.....	\$5,058,274	\$4,756,024	\$4,536,632	\$4,366,557	\$4,192,939	\$3,882,443	\$3,436,377
Excess of Revenues Over Expenditures.....	\$ 385,863	\$ 503,063	\$ 184,781	\$ 287,128*	\$1,265,966*	\$1,455,802*	\$1,190,426*

*Excess of expenditures over revenues.

**FIRE AND POLICE PENSION FUND
ADMINISTRATIVE EXPENSE COMPARED**

SCHEDULE 2

OPERATING EXPENSE

	1950-51	1949-50	1948-49	1947-48	1946-47	1945-46	1944-45
Salaries.....	\$ 49,015	\$ 46,691	\$ 44,533	\$ 44,277	\$ 39,706	\$ 30,778	\$ 32,718
Office.....	1,109	875	739	1,236	693	517	447
Printing.....	805	1,204	789	732	967	688	973
Postage.....	144	184	240	143	140	180	180
Surety and Insurance Premiums.....	396	1,774	403	1,869	2,092	906	870
Medical Examinations.....	5,263	3,737	3,238	3,109	1,732	2,216	2,445
Mileage.....	30	4	.....	17	400	.....	.....
Telephone and Telegraph.....	530	509	460	374	434	483	395
Auto Repairs and Supplies.....	170	336	180	154	399	278	218
Litigation.....	101	16	135	614	2,082	1,303	998
Property Maintenance.....	.....	.....	3	223	422	978	2,920
Lot Cleaning.....	.....	.....	8	36	.....	283	467
Investment Expense.....	3,000	3,000	3,000	2,500	2,500	2,500	2,500
Investigation and Travel.....	405	875	837	681	671	810	32
Miscellaneous.....	60	87	646	15	307	287	82
Auditing and Survey Costs.....	610	747	1,218	.....	.....	.....	.....
Equipment, Furniture and Fixtures.....	2,389	377	375	2,888	1,719	223	.....
TOTAL EXPENSE	\$ 64,027	\$ 60,416	\$ 56,804	\$ 58,868	\$ 54,264	\$ 42,430	\$ 45,245

STATEMENT OF CASH RECEIPTS AND SOURCES THEREOF
Fiscal Years 1944-45 to 1950-51 Compared

SCHEDULE 3

	1950-51	1949-50	1948-49	1947-48	1946-47	1945-46	1944-45
Total Receipts and Revenue.....	\$7,418,315	\$8,128,116	\$8,451,077	\$8,537,031	\$6,976,213	\$9,380,227	\$13,038,343
Deduct:							
Revenue (Schedule 1).....	\$5,444,137	\$5,259,087	\$4,721,413	\$4,079,429	\$2,926,973	\$2,426,641	\$ 2,245,951
Adjustments:							
Accrued Interest.....	24,653*	11,159*	39,905*	13,404*	8,563	27,513	51,976
Prepaid Interest.....	17,814	8,311	17,725	15,060	5,738	.....	.....
Bond Premiums Amortized.....	7,677	7,703	9,109	6,800	5,360	4,741	6,538
Taxes Receivable.....	.....	.....	287,128	1,265,966	1,455,802	1,190,426	701,994
Miscellaneous.....	247	19,334*	19,932	3,037	32,332*	1,141	2,512
TOTAL REVENUE RECEIPTS.....	\$5,445,222	\$5,244,608	\$5,015,402	\$5,356,888	\$4,370,104	\$3,650,462	\$ 3,008,971
CAPITAL RECEIPTS.....	\$1,973,093	\$2,883,508	\$3,435,675	\$3,180,143	\$2,606,109	\$5,729,765	\$10,029,372
Analysis—Capital Receipts							
Bond Investments—Par Value.....	\$1,879,000	\$2,686,000	\$3,252,000	\$2,800,000	\$2,290,000	\$4,854,000	\$ 9,036,000
Bond Investments—Premiums.....	7,472	2,940*	47,727	1,190	5,525	71,808	154,224
Street Improvement Bonds—Par Value.....	8,523	23,719	16,451	34,244	53,925	79,928	130,560
Certificates of Sale.....	.....	55	256	229	10,516	7,356	.....
Treasurer's Deeds.....	248	180	318	6,750	19,461	5,736	75
Real Property Sales.....	9,419	47,991	58,892	145,638	114,160	391,631	282,238
Trust Deeds, Installments.....	31,998	63,011	45,126	79,477	80,246	148,602	33,307
Miscellaneous Collections.....	113	3,396	137	88,484	11,985	8,235	8,495
Reserve for Investment Losses.....	27,255	59,246	11,863	1,349	815*	128,160	331,987
Deposits on Real Property Sales.....	9,065	2,850	2,905	22,782	21,106	34,309	52,486
TOTALS.....	\$1,973,093	\$2,883,508	\$3,435,675	\$3,180,143	\$2,606,109	\$5,729,765	\$10,029,372

*Deductions

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF
Fiscal Years 1944-45 to 1950-51 Compared

SCHEDULE 4

	1950-51	1949-50	1948-49	1947-48	1946-47	1945-46	1944-45
Total Disbursements.....	\$7,883,056	\$6,973,514	\$10,520,475	\$7,463,457	\$6,855,131	\$8,614,656	\$13,024,700
Deduct:							
Expenditures (Schedule 1).....	\$5,058,274	\$4,756,024	\$ 4,536,632	\$4,366,557	\$4,192,939	\$3,882,443	\$ 3,436,377
Adjustments:							
Prepaid Interest.....	17,814	8,311	17,725	15,060	5,738	7,592	18,573
Expense Abatements.....	195	.....	.....	929	777	1,119	2,512
Refunds, Deposits on Sales.....	50	.....	250	150	3,008	850	300
Encumbrance Adjustments.....	47*	57	133*	1,682	1,365*	41	1,614
Miscellaneous.....	444	513	1,909	2,454	284	3,600	77
TOTAL OPERATING DEDUCTIONS.....	\$5,076,730	\$4,764,905	\$ 4,556,383	\$4,386,832	\$4,201,381	\$3,895,645	\$ 3,459,453
CAPITAL OPERATIONS.....	\$2,806,326	\$2,208,609	\$ 5,964,092	\$3,076,625	\$2,653,750	\$4,719,011	\$ 9,565,247
Analysis—Capital Operations:							
Bond Investments—Par Value.....	\$2,782,000	\$2,160,000	\$ 5,900,000	\$3,044,000	\$2,600,000	\$4,675,000	\$ 9,480,000
Bond Investments—Premiums.....	17,806	43,417	61,530	17,091	19,008	18,528	16,183
Appraisals.....	120	45	85	320	1,035	960	1,524
Miscellaneous Costs—Real Property.....	425	.....	2	.....	3,177	540	.....
Quiet Title Costs.....	2,018	139	527	54	250	248	105
Escrow Charges—Real Property.....	228	43	50	280	27	1,567	1,594
Other Bonds.....	3,040	893	640	4,307	1,537	4,622	2,993
Quitclaim Deeds.....	.....	.....	545	959	9,390	2,910	110
Street Lighting Assessments.....	62	225	364	256	1,604	2,009	21,998
Taxes.....	237	119	17	9,051	16,202	12,627	40,490
Title Searches.....	.....	.....	240	278	991	.....	.....
Unapplied Charges—General Bonds.....	390	3,728	92	29	529	.....	250
TOTALS.....	\$2,806,326	\$2,208,609	\$ 5,964,092	\$3,076,625	\$2,653,750	\$4,719,011	\$ 9,565,247

BOND DISTRIBUTION

June 30, 1951

SCHEDULE 5

	Rate	Maturity Date	Par Value
UNITED STATES GOVERNMENT			
U. S. Savings Bonds "G"	2½	1953/62	\$1,750,000
U. S. Treasury	2¼	1959/62	2,450,000
U. S. Treasury	2½	1965	250,000
U. S. Treasury	2½	1968/63	400,000
U. S. Treasury	2¾	1975/80	3,600,000
U. S. Treasury	2½	1962/67	500,000
U. S. Certificates of Ind.	1⅞	1952	200,000
TOTAL GOVERNMENTS			\$ 9,150,000
CORPORATES			
American Tel. & Tel.	2¾	1961	\$ 200,000
American Tel. & Tel.	2¾	1975	300,000
American Tel. & Tel.	2¾	1980	200,000
Bethlehem Steel Corp.	2¾	1970	150,000
Bethlehem Steel Corp.	3	1979	98,000
Boston Edison	2¾	1970	200,000
California Oregon Power	3⅞	1974	100,000
Canadian National Railway	4½	1951	100,000
Central Illinois Light	2⅝	1979	100,000
Central Maine Power	3½	1970	141,000
Cleveland Electric Illuminating	3	1970	150,000
Commonwealth Edison	2¾	1999	200,000
Commonwealth Edison	3	1999	246,000
Consolidated Edison, N. Y.	3	1979	150,000
Consolidated Gas Baltimore	2⅞	1981	150,000
Dallas Power & Light	2⅞	1979	200,000
Deere & Co.	2¾	1965	25,000
Delaware Power & Light	2⅞	1979	150,000
Detroit Edison	2¾	1985	200,000
Detroit Edison	3	1970	150,000
Duke Power Co.	2⅞	1979	250,000
Illinois Bell Telephone	2¾	1981	150,000
Illinois Bell Telephone	3	1978	200,000
Illinois Power Co.	2⅞	1979	100,000
International Bank	3	1972	50,000
International Bank	3	1976	110,000
Metropolitan Edison	2¾	1980	200,000
Michigan Bell Telephone	3⅞	1988	200,000
Mountain States Telephone	2⅝	1986	100,000
New England Tel. & Tel.	3	1974	200,000
New Jersey Bell Telephone	3⅞	1988	250,000
New York Telephone	3	1981	100,000
No. Indiana Pub. Service	3⅞	1973	150,000
No. States Power (Minn.)	2¾	1975	200,000
No. States Power (Wisc.)	3	1979	199,000
Ohio Edison	2⅞	1980	200,000
Pacific Gas & Electric	3	1979	200,000
Pacific Gas & Electric	3	1983	30,000
Pacific Tel. & Tel.	3⅞	1983	150,000
Penna. Power & Light	3	1975	200,000
Potomac Electric Power	2⅞	1984	200,000

BOND DISTRIBUTION
June 30, 1951
SCHEDULE 5—(Continued)

	Rate	Maturity Date	Par Value
CORPORATES—(Continued)			
Potomac Electric Power	2¾	1985	\$ 100,000
Public Service New Hampshire	3¼	1973	195,000
Public Service Electric & Gas	3	1972	75,000
Public Service Electric & Gas	2⅞	1979	197,000
Public Service Electric & Gas	2¾	1980	100,000
Public Service of Indiana.....	3	1979	100,000
Shell Union Oil	2½	1971	250,000
Southern Bell Telephone	3	1979	150,000
So. Calif. Edison	3½	1973	100,000
Southwestern Bell Telephone	3½	1983	100,000
Standard Oil N. J.	2¾	1974	300,000
Swift & Co.	2⅞	1973	48,000
Swift & Co.	2⅞	1972	152,000
Union Oil Co.	2¾	1970	249,000
Union Pacific Railway	2⅞	1976	200,000
Virginia Electric Power	3	1978	100,000
Wisconsin Power & Light	3¼	1971	144,000
Wisconsin Public Service	3¼	1971	134,000
TOTAL CORPORATES			\$ 9,343,000
TOTAL PAR VALUE			<u>\$18,493,000</u>
Appraised Value	\$18,022,778		
Book Value	18,667,904		

STREET IMPROVEMENT BONDS

June 30, 1951

SCHEDULE 6

	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	\$ 1,554	\$	\$	\$	\$
Avenue 60, Series 3.....	234,289	188,971	44,711	607	.....	.....	.....
Beverly Boulevard, Series 13.....	99,379	84,114	15,265	.....	.....	.....	.....
Coldwater Canyon, Series 1.....	80,973	77,889	3,084	.....	.....	.....	.....
Figuroa Street, Series 24.....	59,935	44,960	14,532	.....	443	.....	443
Fourth Street, Series 25.....	103,546	97,045	5,651	.....	850	.....	850
Broadway, Series 16.....	851,543	325,627	523,490	293	2,133	.....	2,133
Gower Street, Series 7.....	84,950	79,998	4,952	.....	.....	.....	.....
La Brea Avenue, Series 13.....	107,264	102,538	4,026	.....	700	.....	700
La Brea Avenue, Series 20.....	233,303	201,662	28,261	.....	3,380	.....	3,380
Manchester Avenue, Series 6.....	616,370	385,612	222,976	2,414	5,368	.....	5,368
Myra Avenue, Series 3.....	150,141	132,971	16,631	162	377	.....	377
Olive Street, Series 9.....	315,190	285,367	28,563	.....	1,260	.....	1,260
Olive Street, Series 10.....	515,424	390,400	124,031	.....	993	.....	993
Sepulveda Boulevard, Series 2.....	57,024	32,447	24,577	.....	.....	.....	.....
Silver Lake Boulevard, Series 3.....	210,108	177,047	32,149	223	689	.....	689
Slauson Avenue, Series 10.....	146,961	114,032	28,870	.....	4,059	.....	4,059
Temple Street, Series 12.....	589,764	429,669	152,770	587	6,738	.....	6,738
Vermont Avenue, Series 24.....	108,504	108,427	77	.....	.....	.....	.....
Vermont Avenue, Series 25.....	314,233	307,170	6,187	.....	876	.....	876
Virgil Avenue, Series 11.....	519,563	359,096	153,945	78	6,355	89	6,444
Washington Street, Series 15.....	471,674	348,472	113,872	49	9,198	83	9,281
Western Avenue, Series 19.....	386,673	306,558	76,411	.....	3,704	.....	3,704
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	12,279	.....	.....	.....	.....	.....
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>\$4,759,691</u>	<u>\$1,709,825</u>	<u>\$ 4,413</u>	<u>\$ 47,123</u>	<u>\$ 172</u>	<u>\$ 47,295</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. 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 ($1\frac{2}{3}\%$) 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 ($\frac{2}{3}$) 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 ($\frac{2}{3}$) 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. 182 $\frac{1}{2}$. If at any time any member of the Fire or of the Police Department or the widow, child or children, or dependent parent or parents of any such member, or any other person hereafter entitled under the provisions of this article to pension benefits, shall be granted, because of the sickness, injury or death of such member, any compensation or award, under any general law providing for compensation or indemnity in case of the sickness, injury or death arising out of the performance of duty of such member, then and in that event any payments made pursuant to the provisions of this article to such member or to such widow, child or children, dependent parent or parents or other person, shall be construed to be and shall be payments of such compensation or award under such general law, and any payments made under the provisions of this article shall be first applied to payment of such compensation or award and any balance of such payments made pursuant to the provisions of this article shall be deemed to be pension payments; and it is hereby provided that the pension provided for in this article for such member or such widow, child or children, dependent parent or parents, or such other person in case of any such award under such general law, shall be reduced in

amount to the difference between the amount of pension provided for in this article, and the total amount of such compensation or award granted and paid under such general law until the total amount awarded under such general law shall have been fully paid.

After payment of the total amount of such compensation or award granted under such general law the payments herein provided for shall continue as pension benefits subject to the provisions of this article.

Sec 183. Whenever any member of the Fire or Police Department shall die as a result of any injury received during the performance of his duty, or from sickness caused by the discharge of such duty, or after retirement, or while eligible to retirement from such department on account of years of service, then an annual pension shall be paid in equal monthly installments to his widow, or child or children, or dependent parent or parents, in an amount equal to one-half ($\frac{1}{2}$) of the average monthly rate of salary 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 181½ 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. 183½. 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 182¼ 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 182¼ 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 Section 181, 182, 182¼, 183 and 183½ 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.

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.

ORDINANCE No. 95,021

An ordinance amending Ordinance No. 67,778 by amending Sections 1 and 2 thereof.

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

Section 1. Sections 1 and 2 of Ordinance No. 67,778 entitled "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," approved September 20, 1930, are amended to read as follows:

Section 1. Definition "Member." The term "member" of the Fire 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 to perform the duties of a regular fireman of the City of Los Angeles and all persons, other than regular firemen, who were so appointed in said Department under such rules and regulations and who became members of the Fire and Police Pension System of the City of Los Angeles prior to June 16, 1947, 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 term "member" of the Police Department as used herein shall refer to, mean and include all persons duly and regularly appointed in the Police Department 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 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, regardless of whether such aggregate number of years of service shall have been completed prior or shall be completed subsequent to the effective date of this ordinance, 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; provided, 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 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.

Section 3. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of June 9, 1949.

WALTER C. PETERSON,
City Clerk.

By A. M. Morris, Deputy.

Approved this 15th day of June, 1949.

FLETCHER BOWRON,
Mayor.