

Annual Report

Board of Pension Commissioners

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1956

With

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

October 9, 1956

To the Mayor and 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, 1956. 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.

During the course of the year 242 appointments were made to active service including 4 re-appointments. It is noted that members in active service decreased during the course of the year and 32 members returned from military leave, leaving 53 members on military leave at the close of the year. There were 3,480 pensioners on the rolls at the beginning of the year. During the year 156 pensions were granted, 1 widow's pension was reinstated, 80 pensions were terminated by reason of death and 9 were terminated by reason of remarriage or age, making a net increase in the pension roll for the year of 68 pensions.

It is regretfully necessary that we mention the death of John W. Donner, Manager-Secretary, on April 26, 1956. Mr. Donner served with the City of Los Angeles for a period of over thirty years, eighteen of which he served in the capacity of Manager-Secretary of the Pension Department, having been appointed to such position on October 1, 1938. His untimely passing has brought sorrow to the hearts of a multitude of friends and to his co-workers and the Board of Pension Commissioners. The Board gratefully recognizes that his wise, skillful and vigorous conduct as Manager-Secretary has conferred distinction upon the Pension Department and has done much to establish all its future work in public regard. As an employee and officer he brought to his duties the qualities of sincerity, integrity and devotion to the welfare of the city which so endeared him to all who were privileged to know and to work with him.

Respectfully submitted,

BOARD OF PENSION COMMISSIONERS



President

Personnel of the
BOARD OF PENSION COMMISSIONERS

J. Herman, Jr., President
(Term Expires July 1, 1956)

Leo V. Butler, Vice President
(Term Expires July 1, 1959)

Richard O. Bullis, M.D.
(Term Expires July 1, 1960)

Harriett Dayenport
(Term Expires July 1, 1958)

T. H. Tupman
(Term Expires July 1, 1957)

September 25, 1956

Board of Pension Commissioners
Room 1108, City Hall
Los Angeles 12, California

Gentlemen:

In accordance with the provisions of Section 64 of the City Charter, there is presented herewith a summary report upon operations of the Department of Pensions for the fiscal year ended June 30, 1956. The statements of assets, liabilities, operations and fund capital as contained herein are taken from the report of Peat, Marwick, Mitchell and Company who were employed by the Board by contract to audit such operations. The full report of the auditors is included herewith and made a part hereof. The data submitted herewith together with the comments thereon should afford a substantial basis for the annual report of your Honorable Board.

On July 1, 1955, 21 applications were pending. During the course of the fiscal year 154 additional petitions were received. Of the total of 174 petitions 157 were granted, 1 withdrawn, 3 denied, 1 death pending and 13 pending as of June 30, 1956. The details of the pensions granted and terminated during the course of the fiscal year 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 7-1-55	2039	293	289	50	756	17	29	7	3480
Granted	39	30	16	9	53	6	2	1	156
Reinstated	—	—	—	—	1	—	—	—	1
Death-Pending	—	—	1*	—	—	—	—	—	1*
Deaths	54	4	11	—	10	—	1	—	80
Remarriages	—	—	—	—	5	2	—	—	7
Majority	—	—	—	—	—	—	2	—	2
Discontinued	15**	15**	—	—	—	—	—	—	—
Withdrawn	1*	—	—	—	—	—	—	—	1*
Denied	—	—	1*	—	1*	—	1*	—	3*
Increased	—	—	2*	—	—	—	—	—	2*
Decreased	—	—	13*	—	9*	—	—	—	22*
	2039	304	294	59	795	21	28	8	3548

*Statistical—these figures do not affect pension roll.

**Adjustments—deaths between 20 and 25 year members.

MEMBERSHIP

As of June 30, 1956, there were 2,630 firemen and 4,440 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:

25-Year Members	Fire	Police	Total
Men with less than 5 years	457	686	1,143
With less than 10 years	1,139	2,570	3,709
With less than 20 years	655	950	1,605
With 20 years service and over	277	138	415
On Military Leave (Eligibility dates not counted)	11	42	53
20-Year Members			
Men eligible to retire	91	54	145
TOTAL	2,630	4,440	7,070

ANALYSIS OF MEMBERSHIP

The following schedule presents an analysis of the changes in membership of both the Fire and Police Departments during the last five fiscal years:

	1951-52	1952-53	1953-54	1954-55	1955-56
Membership—July 1st	6,816	6,889	6,895	6,955	7,077
On Leave	19	34	15	12	21
On Military Leave	303	203	131	86	71
Active Membership—June 30th	6,494	6,652	6,749	6,857	6,985
Additions:					
New Appointments	308	204	272	338	242
Restorations	1	1	1	4	1
Returned from leave	150	140	111	111	107
Returned from military lv.	155	93	41	30	16
Discontinued on military lv.	2	2	9	3	16
	7,110	7,092	7,183	7,343	7,367
Withdrawals:					
Service retirements	71	61	57	92**	69
Disability retirements	33*	37	24	34	25
Resigned	104**	75***	81****	66**	110*****
Discharged	10	17	33	23**	33
Deaths	18**	9	18****	5	13
Leaves granted	165	121	108	120	96
Military leaves granted	57	23	5	18	14
Active Membership—					
June 30th	6,652	6,749	6,857	6,985	7,007
On Leave	34	15	12	21	10
On Military Leave	203	131	86	71	53
Total Membership—June 30th	6,889	6,895	6,955	7,077	7,070

*Including 1 granted in 1950-51

**Including 1 on military leave

***Including 2 on military leave

****Including 4 Deaths and 5 Resignations on military leave

*****Including 16 on military leave

APPOINTED FISCAL YEAR 1955-1956

During the course of the year 242 members were appointed and became members of the system. One hundred sixty-three or 67% of such members were married at the date of entrance. Four of such members were re-appointees and two were above the age of 31. Of the 242 original appointees the median age was 27, the mode 24 and the average was 25.

PENSIONS CLASSIFIED BY AMOUNTS

The following schedule shows the classification of pensions paid by the number of pensioners in \$10.00 brackets up to the monthly amount of \$250.00, and also the average pension being paid in each classification:

Amounts	Service	Disability	Widows	Minors	Dependents	Total
50- 59	---	---	2	---	---	2
60- 69	---	---	6	---	---	6
70- 79	---	---	6	---	---	6
80- 89	---	2	13	---	2	17
90- 99	---	1	14	1	2	18
100-109	682	19	283	6	1	991
110-119	348	4	125	2	1	480
120-129	312	29	130	4	---	475
130-139	156	48	20	9	---	233
140-149	119	6	21	2	---	148
150-159	118	24	44	---	---	186
160-169	72	23	21	3	---	119
170-179	53	22	17	2	---	94
180-189	47	19	11	1	---	78
190-199	48	9	12	---	---	69
200-209	68	31	34	---	---	133
210-219	53	7	10	---	---	70
220-229	35	18	5	---	---	58
230-239	30	8	8	---	---	46
240-249	26	7	6	---	---	39
250 or over	176	76	28	---	---	280
	<u>2,343</u>	<u>353</u>	<u>816</u>	<u>30</u>	<u>6</u>	<u>3,548</u>
Average Pension	147.31	195.52	131.85	132.32	97.36	148.34

AGE OF PENSIONERS

The following is an analysis of the ages of all pensioners at the close of June 30, 1956:

Ages	Service	Disability	Widows	Minors	Dependents	Total
0- 18	---	---	---	30	---	30
25- 30	---	3	2	---	---	5
30- 35	---	24	9	---	---	33
35- 40	---	40	10	---	---	50
40- 45	---	28	25	---	---	53
45- 50	18	38	54	---	---	110
50- 55	198	30	119	---	---	347
55- 60	818	95	148	---	---	1,061
60- 65	676	50	162	---	---	888
65- 70	402	20	126	---	---	548
70- 75	149	16	90	---	2	257
75- 80	55	6	42	---	1	104
80- 85	25	2	19	---	1	47
85- 90	1	---	8	---	1	10
90-100	1	1	2	---	1	5
	<u>2,343</u>	<u>353</u>	<u>816</u>	<u>30</u>	<u>6</u>	<u>3,548</u>
Average Age	61	52	60	11	80	---

SERVICE PENSIONS

A total of sixty-nine members of the Fire and Police Departments retired upon service pension during the fiscal year ended June 30, 1956, as follows:

Fire	Police
Alberty, Herbert W.	Blake, Mearl C.
Alderson, John H.	Booker, Russell S.
Austin, Arthur P.	Buggy, Edward W.
Barker, Harry M.	Burke, Lee J.
Beall, Cyrus D.	Cone, Leslie D.
Bender, Meryl J.	Darby, Thomas W.
Betz, Nicholas	Dellarocco, D.
Considine, Earl E.	Doane, Fred H.
Croom, Thomas L.	Donovan, Henry J.
Earley, James C.	Gilmore, Daniel B.
Fountain, Roy B.	Hefler, Frank G.
Giles, Dewey	Huston, William E.
Hamlin, Harvey E.	Ishkanian, Mardiros
Heilig, W. Fred	Jacobs, Walter E.
Holmer, Harry H.	Jones, Bert L.
Kidwell, Joseph P.	Keogh, William E.
Kiefer, Frank V.	Kucera, Rudolph C.
Kirkman, Russell E.	Merchant, Roy R.
Koons, Carl R.	Mesloh, Charles R.
McFarland, Donald L.	Murray, Daryl L.
Phillips, Jack T.	Olivas, Joseph E.
Planagan, John M.	Owen, Ernest B.
Prohaska, Lorenzo D.	Peyton, Jesse C.
Quante, Herman W.	Phegley, William D.
Richter, Tom V.	Proper, Lee A.
Rothermel, Frank H.	Robertson, Robert M.
Scott, Harold J.	Sanders, Rolan
Scott, Howard W.	Shapard, Joe R.
Unfried, Walter F.	Shields, John T.
Webb, Theodore R.	Stanger, William A.
Wilson, Theodore F.	Starkey, Basil L.
	Stephenson, Miles A.
	Welch, Vernon C.
	Wiggins, Harold V.
	Wilson, Andrew
	Wilson, Joseph M.
	Wilson, Paul C.
	Wiltse, Marmaduke J.

During the course of this fiscal year a total of fifty-eight service pensions were discontinued on account of death. The following is a list of the names of those individuals:

Fire	Police
Blythe, Oscar T.	Barner, Louis O.
Carter, Thomas F.	Barnes, Edward T.
Durnford, Alfred H.	Bomer, Philip
Flippen, Carl M.	Burns, William L.
Fort, William	Canto, L. G. N.
Furu, Louis A.	Clarke, Ralph M.
Gibson, William J.	Davidson, D. A.
Henrichs, Charles M.	Dunn, Richmond
Hodge, Glenn A.	Frost, Harry W.
Holmes, Emil A.	Gaffaney, Ralph G.
	Greenlaw, Orville H.
	Hallock, Robert B.
	Hatch, Rodney R.
	Hemraer, E. J.
	Hoskin, Benjamin T.

Fire—(Continued)

Hon, Frank E.
 Lonberger, Harry H.
 McMunn, Paul
 Notley, Lester L.
 O'Malley, Martin
 Rascoe, Lex
 Ruehling, William J.
 Smith, David L.
 Sullivan, Patrick J.
 Waldschmidt, W. H.
 Walker, Fred E.
 Weimer, Merle C.
 Wilimzig, Albert H.

Police—(Continued)

Ingram, John G.
 Justin, Ira H.
 Kahler, George W.
 King, Oscar J.
 Knowles, Frank W.
 Learnihan, Thomas
 Morrow, Robert D.
 Mudd, Hubert I.
 Murphine, William L.
 Nipping, F. A.
 Nisbett, Ulyss C.
 Parsons, J. E.
 Peterson, Arthur R.
 Pickerei, Clayton
 Powell, Harry E.
 Roberts, Frank E.
 Robertson, E. A.
 Royse, Harry R.
 Shy, Clarence D.
 Taylor, Joseph F.

The total number of members who have retired upon service pension is presented by departments for the last fifteen fiscal years in the following statement:

	Fire	Police	Total
1941-1942.....	79	185	264
1942-1943.....	74	203	277
1943-1944.....	151	194	345
1944-1945.....	106	215	321
1945-1946.....	86	176	262
1946-1947.....	36	62	98
1947-1948.....	38	59	97
1948-1949.....	25	40	65
1949-1950.....	35	65	100
1950-1951.....	51	57	108
1951-1952.....	28	43	71
1952-1953.....	24	37	61
1953-1954.....	27	30	57
1954-1955.....	45	47	92
1955-1956.....	31	38	69

In accordance with the Charter amendment of June 16, 1947, 331 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
1947-1948.....	5	16	21
1948-1949.....	9	16	25
1949-1950.....	12	30	42
1950-1951.....	27	27	54
1951-1952.....	11	23	34
1952-1953.....	15	28	43
1953-1954.....	14	21	35
1954-1955.....	22	25	47
1955-1956.....	12	18	30

ELIGIBILITY

There were as of June 30, 1956, 560 members eligible to retire. One hundred forty-five of these members were 20-year men and 415 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
1941-1942.....	116	88	204
1942-1943.....	76	85	161
1943-1944.....	218	138	356
1944-1945.....	312	340	652
1945-1946.....	310	312	622
1946-1947.....	290	270	560
1947-1948.....	256	234	490
1948-1949.....	240	215	455
1949-1950.....	392	367	759
1950-1951.....	353	341	694
1951-1952.....	350	316	666
1952-1953.....	390	300	690
1953-1954.....	365	266	631
1954-1955.....	347	218	565
1955-1956.....	368	192	560

During the fiscal year 1956-57, 238 twenty-five year members will become eligible if their service is continuous. Eighty-eight of these members are firemen and one hundred fifty are policemen.

YEARS OF SERVICE—20-Year Men

Years of Service	Fire	Police	Total
29.....	4	—	4
30.....	9	12	21
31.....	22	25	47
32.....	36	7	43
33.....	6	6	12
34.....	1	1	2
35.....	3	1	4
36.....	2	—	2
37.....	—	1	1
38.....	1	—	1
39.....	2	—	2
40.....	1	1	2
41.....	2	—	2
42.....	1	—	1
46.....	1	—	1
TOTAL.....	91	54	145

YEARS OF SERVICE—25-Year Men

Years of Service	Fire	Police	Total
20.....	52	12	64
21.....	27	2	29
22.....	7	4	11
23.....	55	20	75
24.....	24	12	36
25.....	10	15	25
26.....	34	25	59
27.....	52	16	68
28.....	10	25	35
29.....	6	7	13
TOTAL.....	277	138	415

DISABILITY PENSIONS

A total of twenty-five members of the Fire and Police Departments granted disability pensions during the fiscal year ended June 30, 1956 as follows:

Fire	Police
Fisher, Sanford L.	Baughn, Lloyd M.
Hogle, Paul S.	Burrough, George H.
Kemp, James E.	DeGrazia, Paul
Lenhart, Albert G.	Dever, Harold
Mack, Walter E.	Easton, Gordon
Meldrum, James G.	Encinas, Gilbert A.
Pogue, Clarence N.	Farmer, Kenneth
Pruessman, Richard	Gilliam, Earl N., Jr.
Stewart, Lloyd A.	Grabiner, Sol J.
Westbrook, Clarence	Hansen, Wilhelm
	Klindt, Vernon E.
	Reynar, S. Ben, III
	Shingler, Robert G.
	Wisdom, Cecil M.
	Wurst, Leroy G.

Eleven disability pensions were discontinued on account of death during the current fiscal year and the names of such individuals are listed as follows:

Fire	Police
Casey, Charles B.	Aselin, Charles N.
Fisher, Sanford L.	Howery, Harold A.
Ragland, Robert C.	Irvine, Graham B.
Wells, Marcus R.	Kollock, Kenneth L.
	Prewitt, Charles R.
	Shelman, Dwight F.
	Weber, Mathew J.

The total number of members retiring upon disability pension is represented by departments for the last nine fiscal years in the following statements:

	Fire		Police		Total
	Service	Non-Service	Service	Non-Service	
1947-1948	3	4	8	6	21
1948-1949	3	5	4	6	18
1949-1950	13	—	14	9	36
1950-1951	8	1	17	2	28
1951-1952	11	1	16	4	32
1952-1953	15	3	17	2	37
1953-1954	7	1	13	3	24
1954-1955	10	7	14	3	34
1955-1956	7	3	9	6	25

ANALYSIS OF RATES

There are 294 service connected disability pensions and 59 non-service connected disability pensions classified by rates in the following schedule as of June 30, 1956:

Rate	Fire	Police	Total
40%	23	38	61
50%	44	49	93
55%	12	11	23
57½%	1	—	1
60%	27	41	68
65%	17	41	58
66⅔%	1	—	1
70%	2	3	5
75%	8	22	30
80%	—	2	2
85%	2	1	3
90%	3	5	8
TOTAL	140	213	353

ANALYSIS OF DISABILITY PENSIONERS BY AGE

Age	Fire	Police	Total
25- 30	—	3	3
30- 35	7	17	24
35- 40	12	28	40
40- 45	15	13	28
45- 50	17	21	38
50- 55	19	11	30
55- 60	34	61	95
60- 65	14	36	50
65- 70	11	9	20
70- 75	7	9	16
75- 80	3	3	6
80- 85	1	1	2
95-100	—	1	1
TOTAL	140	213	353

Average Age 52

MILITARY LEAVES

On June 30, 1955, there were 71 members on military leave. The following schedule indicates the operation of military leave authorization during the fiscal year 1955-1956:

On Leave June 30, 1955	71
Granted during 1955-1956	14
	85
Restored—Now Active	16
Resigned on military leave	16
	32
On Leave June 30, 1956	53

All of the 53 men on military leave are twenty-five year men. Nine of these members have less than five years service. Two have exactly five years service and 44 have more than five years service. It is noted

that these members on military leave do not receive credit in the pension system for such service subsequent to June 25, 1955, but they are protected in seniority in the position from which they were granted the military leave.

LITIGATION

Skaggs v. City of Los Angeles, etc., et al

In this proceeding, as of the close of the fiscal year 1954-1955, plaintiff had appealed from that part of the trial courts' judgment which denied him interest upon said courts' recomputation, in compliance with the instructions contained in the decision of the Supreme Court upon a prior appeal, of the pension payments due plaintiff. Plaintiff contended that the decision of the Supreme Court was to the effect that he was entitled to interest on all pension payments. Defendants contended that the Supreme Court's decision was to the effect that plaintiff was not entitled to interest thereon and that the trial court's judgment was in conformity with the instructions of the Supreme Court. The appeal was argued before the District Court of Appeal on November 22, 1955 and said court, by its decision of January 6, 1956, decided that plaintiff was entitled to interest on the pension payments which the trial court had originally held were due him but was not entitled to interest on the pension payments which it had held were not due him. Defendants' petition for rehearing in the District Court of Appeal was denied and both plaintiffs' and defendants' petitions for hearing in the Supreme Court were denied. Judgment in this proceeding became final and conclusive prior to the close of the fiscal year.

Abbott v. City of Los Angeles, etc., et. al.

Abney v. City of Los Angeles, etc. et. al.

Adams v. City of Los Angeles, etc., et. al.

Behrns v. City of Los Angeles, etc., et. al.

Mason v. City of Los Angeles, etc., et. al.

In these proceedings, commenced during the fiscal year 1954-1955, almost 800 petitioners prayed for a declaration of their pension rights and a peremptory writ of mandate to compel the Board to pay them pensions calculated upon salaries of active members of the Fire and Police Departments. All five cases, which were consolidated for trial, were tried in February, 1956. On April 4, 1956, the court rendered judgment for defendants in all five proceedings and the same were entered on May 29, 1956. On June 18, 1956, plaintiffs filed with the Supreme Court their appeals from such judgments. As of the close of this fiscal year, the Clerk's Transcript and the Reporter's Transcript on Appeal has not been prepared.

Bollard v. City of Los Angeles, etc., et. al.

In this action, commenced during the current fiscal year, plaintiff seeks a refund of contributions paid into the fire and police pension fund during the period that he was employed in the Police Department. Defendants' demurrer to the complaint was sustained and plaintiff was given ten days in which to amend the same. Defendants answered plaintiff's amended complaint and plaintiff filed his request for setting the case for trial. As of the close of this fiscal year, the matter has not been set for trial.

Jacke v. City of Los Angeles, etc., et. al.

Young v. City of Los Angeles, etc., et. al.

These cases, also commenced during the fiscal year by former members of the Police Department, are for refunds of contributions paid into the fund during the periods they were employees of the Police Department. Both cases are at issue and the Young case has been set for trial on October 2, 1956.

**In the Matter of the Application of City of Los Angeles, etc., et. al.,
to perpetuate testimony**

In this proceeding, commenced by virtue of the fact that the Board doubted the authenticity of a marriage certificate presented by an alleged widow in connection with her application for a widow's pension, the City and the Board made application to the Superior Court for an order to take the depositions of three public officials of Reno, Nevada, and of the clergyman whose name appeared on the certificate. After the order was granted and signed, Mr. Tully, Assistant City Attorney assigned to the Department, went to Reno and took the depositions of said persons and also obtained further information from other individuals. After Mr. Tully presented his report to the Board, it denied said application.

Guardianships

Twenty-eight accounts and 3 petitions, one for authority to pay special expenses of a minor, one to reinvest funds of a minor and one to use the minor's funds for payment of taxes, were received and examined. Three requests for special notice of steps and proceedings were served and filed; one incompetency guardianship was discontinued on account of the incompetent being restored to capacity; three incompetency proceedings were added; two minor guardianships were discontinued on account of the minors reaching majority; one discontinued on account of death and three new ones added. As of June 30, 1956, there were 45 guardianships pending, 30 covering 43 minors and 15 covering incompetents.

Maritals

In addition to examining the marital histories of many pensioners and their wives, the marital histories of 1257 active firemen and the wives of those who were or had been married, submitted by them upon forms supplied by the Department, were carefully examined. Documents, when deemed necessary or desirable, were requested to be filed with us. As of the close of the fiscal year, 866 of these files contain all necessary and desirable information and documents, 137 of them contain some but not all of the information and documents, 179 of them contain only marital forms but no documents and 75 of them, those of single men, require no documents. Extensive research was made of the marriage and divorce laws of various states and of some foreign countries in connection with questions which arose by reason of some of such marital histories. Considerable correspondence was necessary and memoranda were written and placed in the files when deemed necessary or desirable.

OPERATIONS

As of June 30, 1956, there was a cash balance of \$1,205,436.00 as compared to \$1,987,061.00 on June 30, 1955. During the year the bond portfolio increased \$2,246,000.00 with a total par value of \$24,166,000.00 and an appraised value of \$23,044,276.00. The increase was attributable largely to the surplus of \$1,354,570.00 resulting from operations together with a decrease in cash of \$781,625.00 and accrued interest and miscellaneous items of \$70,190.00. Early in July \$300,000.00 was invested in corporate bonds of a permanent nature.

Real Property

One parcel of property was sold during the year for a total consideration of \$9,500.00 and a net profit of \$5,991.00. At the close of the year there were 97 properties on hand.

Surety Bonds

Six of the 12 employees were under bond as follows:

Position	Amount of Bond
Manager-Secretary	\$100,000
Chief Accountant	25,000
Principal Clerk Stenographer	5,000
Senior Clerk Stenographer	5,000
Senior Clerk Typist	5,000
Senior Clerk	5,000

Personnel

Twelve individuals were employed in the Department, including one Assistant City Attorney. All rates of compensation were within the general range of salaries for similar positions in the city government.

Respectfully submitted,

Gladys A. Woodruff

Manager-Secretary

PEAT, MARWICK, MITCHELL & CO.

CERTIFIED PUBLIC ACCOUNTANTS
(INCORPORATING THOMPSON, MOSS & CO.)

618 SOUTH SPRING STREET
LOS ANGELES 14, CALIFORNIA

ACCOUNTANT'S REPORT

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, 1956 and June 30, 1955, 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, subject to the above explanation, 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, 1956 and June 30, 1955 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.

(Signed) PEAT, MARWICK, MITCHELL & CO.

Los Angeles, California
September 17, 1956



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

BALANCE SHEETS

As of June 30, 1956 and 1955

EXHIBIT I

ASSETS

Cash:	June 30, 1956	June 30, 1955
Deposits with Treasurer of the		
City of Los Angeles	\$ 1,205,436	\$ 1,987,061
Cash Revolving Funds	325	325
Cash in Suspense	71	71
	\$ 1,205,832	\$ 1,987,457
Investments:		
Bond Investments, General — at		
Par (value based on market		
quotations, \$23,044,276 and		
\$21,411,877, respectively)	\$24,166,000	\$21,920,000
Street Improvement Bonds—		
at Par	10,768	17,398
Treasurer's Deeds—at Cost	1,267	1,267
Trust Deeds Receivable—at Cost	4,274	7,637
Real Property—at Cost	23,864	27,023
	\$24,206,173	\$21,973,325
Bond Premiums, less discounts of		
\$64,996 and \$46,121, respectively	149,818	176,581
Accrued Interest	130,251	188,345
	\$25,892,074	\$22,149,906
		\$24,325,708

See accompanying notes to financial statements.

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

**BALANCE SHEETS
As of June 30, 1956 and 1955**

EXHIBIT I

LIABILITIES

	June 30, 1956	June 30, 1955
Accounts Payable	\$ 362	\$ 216
Unclaimed Pensions	6,825	
Deferred Credits:		
Prepaid Payments—Street Bonds	\$ 1,361	\$ 1,361
Deposits on Real Property Sales	1,361	300
		1,661
Fund Capital:		
Accumulated Surplus	\$23,182,285	\$21,828,581
Reserve for Investment Losses	2,501,241	2,495,250
	\$25,683,526	\$24,323,831
Contingent Liabilities (Note 2)		
	\$25,692,074	\$24,325,708

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

STATEMENT OF OPERATIONS
Fiscal Years ended June 30, 1956 and 1955

EXHIBIT II

Revenues:	<u>Fiscal Year Ended June 30, 1956</u>	<u>Fiscal Year Ended June 30, 1955</u>
Taxes	\$4,680,767	\$4,420,757
Interest	669,184	616,513
Members' Contributions	2,293,139	2,247,588
Sales of Unclaimed Property	16,197	38,945
Bonus	110	35
Donations	352	757
Miscellaneous	286	266
Revenues available for current years expenditures	<u>\$7,660,035</u>	<u>\$7,324,861</u>
 Expenditures:		
Pensions Paid:		
Service	\$4,096,812	\$3,909,343
Disability	712,129	681,389
Widows	1,197,976	1,141,720
Minors	34,618	38,549
Dependents	7,010	7,010
Non-Service		
Disability	100,380	81,925
Widows	54,649	46,358
Minors	13,913	10,587
Administrative Expenses	87,370	78,549
	<u>\$6,304,857</u>	<u>\$5,916,881</u>
Excess of Revenues over Expenditures	<u>\$1,355,178</u>	<u>\$1,329,431</u>

See accompanying notes to financial statements.

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

**STATEMENT OF FUND CAPITAL
For the Fiscal Years ended June 30, 1956 and 1955**

EXHIBIT III

	Fiscal Year Ended June 30, 1956			Fiscal Year Ended June 30, 1955		
	Accumulated Surplus	Reserve for Investment Losses	TOTAL	Accumulated Surplus	Reserve for Investment Losses	TOTAL
Balance at beginning of period	\$21,828,581	\$ 2,495,250	\$24,323,831	\$20,499,150	\$ 2,451,361	\$22,950,511
Add:						
Net gain on disposition of investments		5,991	5,991		43,889	43,889
Excess of revenues over expenditures	1,355,178		1,355,178	1,329,431		1,329,431
	<u>\$23,183,759</u>	<u>\$ 2,501,241</u>	<u>\$25,685,000</u>	<u>\$21,828,581</u>	<u>\$ 2,495,250</u>	<u>\$24,323,831</u>
Deduct provision for current year unclaimed pensions	1,474		1,474			
Balance at end of period (Note 1)	<u>\$23,182,285</u>	<u>\$ 2,501,241</u>	<u>\$25,683,526</u>	<u>\$21,828,581</u>	<u>\$ 2,495,250</u>	<u>\$24,323,831</u>

See accompanying notes to financial statements.

CITY OF LOS ANGELES**Fire and Police Pension Fund
Notes to Financial Statements**

- (1) The reserve for investment losses at June 30, 1956 is comprised of the net gains realized from investment transactions consummated after June 30, 1940, \$2,603,381, 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.
- (2) There were five legal actions pending at June 30, 1956 contesting the method of computing pensions of certain members. In these proceedings, commenced during fiscal year 1954-55, about 800 petitioners pray for a declaration of their pension rights and a peremptory writ of mandate to compel the Board to pay them pensions calculated upon the salaries now being paid to active members in the Fire and Police Departments. Some of said petitioners are retired members who were active members in the Fire or Police Department prior to July 1, 1925, the date upon which the pension provisions were amended to provide that pensions thereafter granted to members would not increase or decrease with the salaries paid to members in active service. The other petitioners are widows whose deceased husbands were active members of the Fire or Police Department prior to January 17, 1927, the date upon which the pension provisions were amended to provide that all pensions thereafter granted would not increase or decrease with the salaries paid to members in active service. Said petitioners contend that both of said amendments are unconstitutional and invalid as to them and that they are entitled to fluctuating pensions based upon the salaries being paid to members in active service.

On April 4, 1956 the Court rendered judgment in favor of defendants in all five proceedings. Plaintiffs, by the close of the fiscal year, filed with the Supreme Court their appeals from such judgments. The amount of additional liability, if any, at June 30, 1956 is indeterminable and no provision has been made therefor in the accounts.

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

SCHEDULE 1

OPERATING EXPENSE	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51	1949-50
Salaries	\$ 69,086	\$ 63,499	\$ 62,152	\$ 60,100	\$ 51,297	\$ 49,015	\$ 46,691
Communications	633	621	550	597	568	530	509
Insurance and Bond Premiums	515	284	1,302	366	1,813	396	1,774
Office Equipment	246	603	555	294	102	---	---
Office Supplies	772	494	467	763	776	1,109	875
Printing and Binding	1,063	1,030	1,052	863	965	805	1,204
Traveling	216	43	269	665	889	405	875
Investment	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Field Equipment	20	29	185	313	215	170	336
Maintenance and Repairs	14	17	20	---	12	---	---
Petroleum Products	62	87	---	---	---	---	---
Transportation	72	14	85	1	2	30	4
Annual Audit	950	795	766	937	684	610	747
Litigation	831	620	481	148	7	101	16
Mailing Service	290	295	229	184	171	144	184
Medical Service	7,207	6,924	6,966	7,147	5,491	5,263	3,737
Miscellaneous	---	8	310	194	18	60	87
Actuarial Investigation	636	---	---	7,050	---	---	---
Equipment, Furniture and Fixtures	1,757	186	1,576	765	405	2,389	377
	<u>\$ 87,370</u>	<u>\$ 78,549</u>	<u>\$ 79,965</u>	<u>\$ 83,387</u>	<u>\$ 66,415</u>	<u>\$ 64,027</u>	<u>\$ 60,416</u>

STATEMENT OF CASH RECEIPTS AND SOURCES THEREOF

Fiscal Years 1949-50 to 1955-56 Compared

SCHEDULE 2

	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51	1949-50
Total Receipts and Revenue	\$8,962,055	\$11,467,307	\$8,036,760	\$7,182,667	\$6,986,392	\$7,418,315	\$8,128,116
Deduct:							
Revenue (Exhibit II)	\$7,660,035	\$ 7,324,860	\$6,866,355	\$6,386,990	\$5,838,291	\$5,444,137	\$5,259,087
Adjustments							
Accrued Interest	58,093	23,995*	18,114*	1,659*	7,340*	24,653*	11,159*
Prepaid Interest	23,600	20,790	9,028	3,263	9,602	17,814	8,311
Bond Premiums Amortized	25,637	7,427	5,554	7,595	5,246	7,677	7,703
Miscellaneous	6,742	241	2,226	116	124	247	19,334*
TOTAL REVENUE RECEIPTS	\$7,774,107	\$ 7,329,323	\$6,865,049	\$6,396,305	\$5,845,923	\$5,445,222	\$5,244,608
CAPITAL RECEIPTS	\$1,187,948	\$ 4,137,984	\$1,171,711	\$ 786,362	\$1,140,469	\$1,973,093	\$2,883,508
ANALYSIS CAPITAL RECEIPTS							
Bond Investments	\$1,169,000	\$ 4,129,156	\$1,150,859	\$ 759,288	\$1,098,971	\$1,913,727	\$2,742,306
Street Improvement Bonds	6,630	4,671	8,501	9,946	6,779	8,523	23,719
Real Property	1,955	750	2,715	4,873	6,517	18,732	51,076
Trust Deed Installments	10,363	3,407	9,636	12,255	28,110	31,998	63,011
Miscellaneous Collections					92	113	3,396
TOTALS	\$1,187,948	\$ 4,137,984	\$1,171,711	\$ 786,362	\$1,140,469	\$1,973,093	\$2,883,508

*Deductions

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVES THEREOF

Fiscal Years 1949-50 to 1955-56 Compared

SCHEDULE 3

	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51	1949-50
Total Disbursements	\$9,743,681	\$10,401,440	\$8,855,922	\$6,273,659	\$7,587,571	\$7,883,056	\$6,973,514
Deduct:							
Expenditures (Exhibit II)	\$6,304,857	\$ 5,995,430	\$5,700,324	\$5,520,293	\$5,319,422	\$5,058,274	\$4,756,024
Adjustments							
Prepaid Interest	23,600	20,790	9,028	3,263	9,602	17,814	8,311
Expense Abatements	895	56	2,248	52	30	195	---
Accounts Payable	362*	217*	327*	4,811*	335*	47*	57
Interest Earned	20,674	1,198*	2,119*	---	---	---	---
Miscellaneous	206	114	4,689	43*	2,465*	494	513
TOTAL OPERATING DEDUCTIONS	\$6,349,870	\$6,014,975	\$5,713,843	\$5,518,754	\$5,326,254	\$5,076,730	\$4,764,905
CAPITAL OPERATIONS	\$3,393,811	\$4,386,465	\$3,142,079	\$ 754,905	\$2,261,317	\$2,806,326	\$2,208,609
Analysis—Capital Operations							
Bond Investments	\$3,393,200	\$4,385,980	\$3,141,885	\$ 754,770	\$2,261,087	\$2,799,806	\$2,203,417
Real Property	104	87	94	70	136	6,130	1,464
Unapplied Charges—Investments	507	398	100	65	94	390	3,728
TOTALS	\$3,393,811	\$4,386,465	\$3,142,079	\$ 754,905	\$2,261,317	\$2,806,326	\$2,208,609

*Deductions

**FIRE AND POLICE PENSION FUND
BOND DISTRIBUTION**

June 30, 1956

SCHEDULE 4

UNITED STATES GOVERNMENT	Rate	Maturity Date	Par Value
U. S. Savings "G"	2½	1957/62	\$1,400,000
U. S. Treasury	2½	1965	250,000
U. S. Savings "K"	2.76	1966	200,000
U. S. Treasury	2½	1967/62	500,000
U. S. Treasury	2½	1968-63	400,000
U. S. Treasury	2½	1969/64	50,000
Federal Land Bank	3½	1971	300,000
U. S. Treasury	2¾	1980/75	3,600,000
U. S. Treasury	3¼	1983/75	500,000
TOTAL GOVERNMENTS			\$ 7,200,000
 CORPORATES			
Allied Chemical & Dye	3½	1978	\$ 300,000
Aluminum Co. of America	3½	1964	100,000
Aluminum Co. of America	3	1979	300,000
American Tel. & Tel.	2¾	1975	300,000
American Tel. & Tel.	2¾	1980	200,000
Atlantic Refining	3¼	1979	100,000
Baltimore Gas & Elec.	2⅞	1981	150,000
Bethlehem Steel	2¾	1970	150,000
Bethlehem Steel	3	1979	250,000
Boston Edison	2¾	1970	200,000
California Oregon Power	3½	1974	100,000
Central Illinois Light	2⅞	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 Edison N. Y.	3⅞	1985	150,000
Consolidated Natural Gas	3½	1979	300,000
Consumers Power	3	1984	80,000
Continental Oil	3	1984	300,000
Dallas Power & Light	2⅞	1979	200,000
Deere & Co.	3½	1977	300,000
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
Duquesne Light	2¾	1977	200,000
Equitable Gas Co.	3¼	1973	200,000
Firestone Tire & Rubber	3¼	1977	244,000
General Motors Acceptance Corp.	3⅞	1975	200,000
General Motors Acceptance Corp.	2¾	1964	400,000
General Motors Corp.	3¼	1979	500,000
Great Northern Railway	2¼	1981	200,000
Illinois Bell Telephone	2¾	1981	150,000
Illinois Bell Telephone	3	1978	200,000
Illinois Power	2⅞	1979	100,000
Long Island Lighting	3	1958	100,000
Long Island Lighting	3¼	1972	100,000
Metropolitan Edison	2¾	1980	200,000
Michigan Bell Telephone	3½	1988	200,000
Mountain States Telephone	2⅞	1986	100,000
National Steel	3½	1982	250,000

**FIRE AND POLICE PENSION FUND
BOND DISTRIBUTION**

June 30, 1956

SCHEDULE 4

CORPORATES—(Continued)	Rate	Maturity Date	Par Value
New England Tel. & Tel.	3	1974	\$200,000
New Jersey Bell Telephone	3 $\frac{1}{8}$	1988	250,000
N. Y. State Electric & Gas	3 $\frac{1}{4}$	1984	200,000
New York Telephone	3	1981	100,000
New York Telephone	3	1989	200,000
Northern Indiana Public Service	3 $\frac{1}{8}$	1973	150,000
Northern States Power (Minn.)	2 $\frac{3}{4}$	1975	200,000
Northern States Power (Wisc.)	3	1979	199,000
Ohio Edison	2 $\frac{7}{8}$	1980	200,000
Pacific Gas & Electric	3	1979	200,000
Pacific Gas & Electric	3	1983	30,000
Pacific Tel. & Tel.	3 $\frac{1}{8}$	1983	150,000
Pennsylvania Power & Light	3	1975	200,000
Pennsylvania Salt Mfg.	3.45	1981	200,000
Peoples Gas Light & Coke	3 $\frac{1}{4}$	1979	200,000
Phillips Petroleum	2 $\frac{3}{4}$	1964	100,000
Potomac Electric Power	2 $\frac{7}{8}$	1984	200,000
Potomac Electric Power	2 $\frac{3}{4}$	1985	100,000
Public Service N. H.	3 $\frac{1}{4}$	1973	195,000
Public Service Electric & Gas	3	1972	75,000
Public Service Electric & Gas	2 $\frac{7}{8}$	1979	197,000
Public Service Electric & Gas	2 $\frac{3}{4}$	1980	100,000
Public Service Indiana	3	1979	100,000
San Diego Gas & Electric	2 $\frac{7}{8}$	1984	100,000
Shell Union Oil	2 $\frac{1}{2}$	1971	400,000
Southern Bell Telephone	3	1979	150,000
Southern California Edison	3 $\frac{1}{8}$	1973	100,000
Southern Counties Gas Co	3 $\frac{1}{4}$	1984	200,000
Southwestern Bell Telephone	3 $\frac{1}{8}$	1983	100,000
Southwestern Public Service	3.20	1979	196,000
Standard Oil N. J.	2 $\frac{3}{4}$	1974	500,000
Swift & Co.	2 $\frac{7}{8}$	1973	48,000
Swift & Co.	2 $\frac{7}{8}$	1972	152,000
Union Oil California	2 $\frac{3}{4}$	1970	400,000
Union Pacific Railway	2 $\frac{7}{8}$	1976	500,000
Virginia Electric & Power	3	1978	100,000
Westinghouse Electric	3 $\frac{1}{2}$	1981	200,000
Wisconsin Electric Power	3 $\frac{1}{8}$	1984	150,000
Wisconsin Power & Light	3 $\frac{1}{4}$	1971	144,000
Wisconsin Public Service	3 $\frac{1}{4}$	1971	134,000
TOTAL CORPORATES			\$15,906,000
MISCELLANEOUS			
Dominion of Canada	2 $\frac{3}{4}$	1974	\$ 200,000
International Bank	3	1972	50,000
International Bank	3	1976	110,000
International Bank	3 $\frac{3}{8}$	1975	100,000
International Bank	3 $\frac{1}{2}$	1969	100,000
Province of Ontario	3 $\frac{7}{8}$	1981	200,000
Quebec Hydro Electric Comm.	3 $\frac{1}{2}$	1981	300,000
TOTAL MISCELLANEOUS			1,060,000
TOTAL PAR VALUE			<u>\$24,166,000</u>
Book Value	\$24,315,818		
Appraised Value	\$23,044,276		

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 ($1\frac{2}{3}\%$) of such average rate of salary for each year over twenty years and less than thirty years in the aggregate served by such member before retirement.

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 $\frac{1}{4}$ of this charter.

The provisions of this section are subject to the further conditions set forth in Section 181 $\frac{1}{2}$ of this charter.

Sec. 181 $\frac{1}{2}$. No member of said 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 employment of city employees, have been restored to active duty in such department of which such person was a member at the time or 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.

An 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 Department 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 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.