

Annual Report
Board of Pension Commissioners

CITY OF LOS ANGELES
CALIFORNIA



FOR THE FISCAL YEAR ENDED JUNE 30, 1957

With

CHARTER AND ORDINANCE PROVISIONS
GOVERNING PENSION SYSTEM

CITY OF LOS ANGELES



NORRIS POULSON
Mayor

LOS ANGELES CITY COUNCIL

EVERETT G. BURKHALTER*
First District

EARLE D. BAKER
Second District

ROBT. M. WILKINSON
Third District

HAROLD A. HENRY
Fourth District

ROSALIND WIENER WYMAN*
Fifth District

L. E. TIMBERLAKE
Sixth District

DON ALLEN
Seventh District

GORDON HAHN
Eighth District

EDWARD R. ROYBAL
Ninth District

CHARLES NAVARRO
Tenth District

HAROLD HARBY
Eleventh District

RANSOM M. CALLICOTT
Twelfth District

ERNEST E. DEBS
Thirteenth District

JOHN C. HOLLAND*
Fourteenth District

JOHN S. GIBSON, JR.
Fifteenth District

*Member Police, Fire and Traffic Committee

**BOARD OF PENSION COMMISSIONERS
1956-57 ANNUAL REPORT**



LEO V. BUTLER
President



HARRIETT DAVENPORT
Vice-President

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

Presented herewith is the annual report of the Board of Pension Commissioners for the fiscal year ended June 30, 1957, in accordance with the provisions of Section 64 of the City Charter. This report consists of the annual report of the Manager-Secretary and the report of Peat, Marwick, Mitchell and Company, auditors.

Financial statements and operating statistics are included in this report in sufficient detail to provide a comprehensive review of the operations of the Fire and Police Pension System.

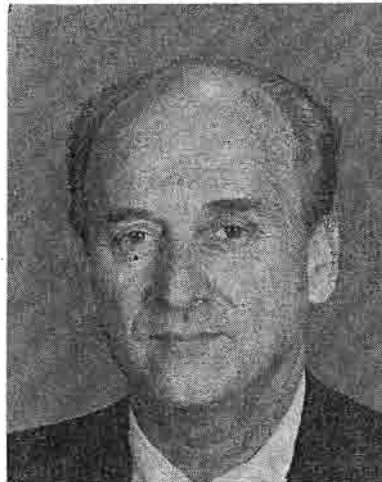
As an occurrence of special interest during the year, the Board was pleased to make the appointment, effective November 1, 1956, of a new Manager-Secretary, Mr. M. Lewis Thompson, to occupy the position vacated by the death of John W. Donner.

Respectfully submitted,
BOARD OF PENSION COMMISSIONERS

Leo V. Butler
President



RICHARD O. BULLIS, M.D.



J. HERMAN, JR.



AL TERENCE

A SHORT HISTORY OF THE FIRE AND POLICE PENSION SYSTEM

1899-1901. A pension system for policemen was authorized by the California State Legislature and became effective in the City of Los Angeles on June 7, 1899. A pension system for firemen, similarly authorized, became effective on June 10, 1901. Basic retirement provisions were one half of salary of rank held after 20 years of service and attainment of age 60, and a service-connected disability pension of one-half of the salary of the rank held at the date of retirement. They were also dependent benefits.

1913-1919. The Los Angeles City Council, by ordinances effective September 16, 1913, adopted the substance of the systems authorized by statute, but reduced the minimum retirement age to 55 and eliminated contributions. In 1919 such ordinances were amended to provide for a pension of one-half of the salary attached to the rank after 20 years of service, without limitation as to age.

1923-1925. Effective January 29, 1923, in Art. XI½, the substance of these two ordinances was adopted into the Charter. There was included a provision for financing the system upon an actuarial basis. Also, 1 2/3% for each year of service, in addition to the minimum of 20 required, was authorized up to a maximum pension of 2/3 of the salary of the rank held. This provision was continued in Art. XVII of the new City Charter which became effective July 1, 1925.

1927. Effective January 17, 1927, the Charter was amended to provide that all members entering the service after that date would receive 50% of the average salary during the three years preceding the date of retirement for 25 years' service, plus 1-2/3% for each of the next 10 years of service. This amendment imposed a maximum limit upon service pensions at a pension of \$1800.00 per year. Members' contributions to the cost of the system were set at 4% of salaries.

1933. Effective May 15, 1933, Article XVII of the Charter was amended to eliminate the actuarial requirement and place the system essentially upon a "pay-as-you-go" basis of operation.

1947. Effective June 16, 1947, Article XVII of the Charter was amended to create an off-duty disability pension consisting of 40% of the highest salary attached to the rank of fireman or policeman. A non-service-connected dependent's pension was established, under which such dependents would be paid a pension of 40% of the highest salary attached to the rank of fireman or policeman at the date of death. Additional percentages were allowed the widow for minor children under the age of 18 and unmarried. By this amendment, members entering subsequent to January 17, 1927, could retire after 20 years' service upon 40% of the average salary for the last three years of service. In addition, they would receive 2% of such average for each of the next five years of service, and 1 2/3% of such average for each of the next ten years of service. The maximum pension of 2/3 of average salary was retained, but the 1927 maximum limitation was raised to accord with the salary level of a police captain or fire battalion chief. Membership contributions were increased from 4% to 6% of salaries.

1957. Effective April 18, 1957, an amendment removed the maximum limit attached to rank on service pensions.

(Note: Over the entire period, not less than 74 changes have been made in the System. This summary sets forth only a few of such changes.)

August 9, 1957

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

Gentlemen:

Pursuant to the provisions of Section 64 of the City Charter, there is presented herewith the annual report on the affairs and operations of the Department of Pensions for the fiscal year ended June 30, 1957. The statements of assets, liabilities, operations and fund capital as contained herein are taken from the report of Peat, Marwick, Mitchell & Company who were employed by the Board by contract to audit the financial position of the Department. In addition thereto, this report contains statements showing comparative financial operations of the fire and police pension fund, and statistical data which should serve to present a clear understanding of such operations.

MEMBERSHIP

As of June 30, 1957, there were 2,799 firemen and 4,460 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	495	710	1,205
Men with less than 10 years	856	793	1,649
Men with less than 20 years	1,008	2,613	3,621
Men with 20 years service and over	346	257	603
On military leave (eligibility dates not counted)	12	40	52
20-Year Members			
Men eligible to retire	82	47	129
TOTAL	2,799	4,460	7,259

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:

	1952-53	1953-54	1954-55	1955-56	1956-57
Membership—July 1st	6,889	6,895	6,955	7,077	7,070
On Leave or Suspension	34	15	12	21	10
On Military Leave	203	131	86	71	53
Active Membership—June 30th	6,652	6,749	6,857	6,985	7,007
Additions:					
New Appointments	204	272	338	242	399
Restorations	1	1	4	1	4*
Returned from leave or suspension	140	111	111	107	136
Restored from military lv.	93	41	30	16	16
Discontinued on military lv.	2	9	3	16	1
	7,092	7,183	7,343	7,367	7,563

Analysis of Membership—(Continued)

Withdrawals:	1952-53	1953-54	1954-55	1955-56	1956-57
Service retirements	61	57	92**	69	50
Disability retirements	37	24	34	25	35
Resigned	75***	81****	66**	110*****	90**
Discharged	17	33	23**	33	23
Deaths	9	18****	5	13	16
Leaves or suspensions	121	108	120	96	127
Military leaves granted	23	5	18	14	16
Active Membership—					
June 30th	6,749	6,857	6,985	7,007	7,196
On Leave or Suspension	15	12	21	10	11
On Military Leave	131	86	71	53	52
Total Membership—June 30th	6,895	6,955	7,077	7,070	7,259

*Includes 2 disabilities granted after resignation and/or discharge

**Includes 1 on military leave

***Includes 2 on military leave

****Includes 4 deaths and 5 resignations on military leave

*****Includes 16 on military leave

Appointed Fiscal Year 1956-57

During the course of the year 401 members were appointed and became members of the system. Two hundred eighty-one or 70% of such members were married at the date of entrance. Five of such members were re-appointees and two were above the age of 31. Two others were restored from disability pension and both were above the age of 31. Of the 401 original appointees the median age was 28, the mode 23 and the average was 25.

ELIGIBILITY

There were as of June 30, 1957, 732 members eligible to retire. One hundred twenty-nine of these members were 20-year men and 603 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
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
1956-1957	428	304	732

During the fiscal year 1957-1958, 95 twenty-five year members will become eligible if their service is continuous. Thirty-three of these members are firemen and sixty-two are policemen.

Years of Service—20-Year Men

Years of Service	Fire	Police	Total
30	3	---	3
31	8	11	19
32	21	22	43
33	34	5	39
34	3	5	8
35	1	1	2
36	3	1	4
37	2	---	2
38	---	1	1
39	1	---	1
40	2	---	2
41	1	1	2
42	2	---	2
43	1	---	1
TOTAL	82	47	129

Years of Service—25-Year Men

Years of Service	Fire	Police	Total
20	82	128	210
21	51	11	62
22	26	2	28
23	7	4	11
24	50	20	70
25	22	10	32
26	8	11	19
27	33	23	56
28	51	16	67
29	10	25	35
30	6	7	13
TOTAL	346	257	603

MILITARY LEAVES

On June 30, 1956, there were 53 members on military leave. The following schedule indicates the operation of military leave authorization during the fiscal year 1956-1957:

On Leave June 30, 1956	53
Granted during 1956-1957	16
	69
Restored—Now Active	16
Resigned on Military Leave	1
On Leave June 30, 1957	52

All of the 52 men on military leave are twenty-five year men. Nine of these members have less than five years service and 43 have more than five years service. It is noted that these members on military do not receive credit in the pension system for such service subsequent to June 25, 1955, but they are protected in seniority in the positions from which they were granted military leave.

PENSION ROLL CHANGES

On July 1, 1956, 13 applications were pending. During the course of the fiscal year 168 additional petitions were received. Of the total of 181

petitions 163 were granted, 2 withdrawn and 2 denied, leaving 14 pending as of June 30, 1957. 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. Deps.	Non- Serv. Deps.	Total
Balance 7-1-56	2039	304	294	59	795	21	28	8	3548
Granted	12	38	22	13	68	7	2	1	163
Deaths	58	7	9	5	15	---	1	---	95
Remarriage	---	---	---	---	12	1	---	---	13
Restored to duty	---	---	1	1	---	---	---	---	2
Majority	---	---	---	---	---	---	1	---	1
Withdrawn	---	---	2*	---	---	---	---	---	2*
Denied	---	---	2*	---	---	---	---	---	2*
Decreased	---	---	7*	---	6*	1*	---	---	14*
Increased	---	---	2*	---	---	1*	---	---	3*
	1993	335	306	66	836	27	28	9	3600

*Statistical—these figures do not affect pension roll.

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	---	---	1	---	---	1
60- 69	---	---	5	---	---	5
70- 79	---	---	7	---	---	7
80- 89	---	2	12	---	2	16
90- 99	---	1	14	1	1	17
100-109	661	18	294	5	1	979
110-119	340	4	130	2	1	477
120-129	303	27	136	4	---	470
130-139	155	44	17	10	---	226
140-149	114	6	26	2	---	148
150-159	116	23	41	---	---	180
160-169	70	13	27	3	---	113
170-179	55	37	17	2	---	111
180-189	47	20	14	2	---	83
190-199	55	15	14	---	---	84
200-209	75	23	19	---	---	117
210-219	45	7	11	---	---	63
220-229	38	19	10	---	---	67
230-239	37	7	12	---	---	56
240-249	27	11	24	---	---	62
250 or over	190	95	32	1	---	318
	2,328	372	863	32	5	3,600
Average Pension	149.59	206.24	135.27	139.46	97.93	151.84

AGE OF PENSIONERS

The following is an analysis of the ages of all pensioners at the close of June 30, 1957:

Age	Service	Disability	Widows	Minors	Dependents	Total
0- 18	-----	---	---	32	---	32
25- 30	-----	---	4	---	---	4
30- 35	-----	27	10	---	---	37
35- 40	-----	50	11	---	---	61
40- 45	-----	8	36	22	---	66
45- 50	-----	27	33	48	---	108
50- 55	-----	124	37	114	---	275
55- 60	-----	745	86	165	---	996
60- 65	-----	681	54	157	---	892
65- 70	-----	483	26	149	---	658
70- 75	-----	162	14	89	1	266
75- 80	-----	72	5	60	2	139
80- 85	-----	23	3	24	---	50
85- 90	-----	2	---	7	1	10
90- 95	-----	1	---	2	1	4
95-100	-----	---	1	1	---	2
	2,328	372	863	32	5	3,600
Average age ---	62	52	61	11	81	

SERVICE PENSIONS

Pensions Granted

A total of fifty members of the Fire and Police Departments retired upon service pension during the fiscal year ended June 30, 1957, as follows:

Fire

James R. Akers, Jr.	Clar T. Byers	Earl A. McEwen
Wesley H. Augustine	Godfrey Catley	L. H. Powers
Glenn J. Baker, Jr.	Frank D. Hayes	Raymond F. Reiss
Clyde J. Basden	Bennie T. Hooks	Hugh A. Save
Foy E. Bender	Arthur Kraft	L. L. Stewart, Jr.
James A. Brown	Hugh B. Matherly	Roger R. Waterworth

Police

John S. Adams	Fred W. Goldsberry	Angel M. Perez
Wilbur D. Barkley	G. Douglas Gourley	Richard B. Roche
Hollis B. Benton	Eber R. Graham	Raimond L. Schaffer
Freeman P. Calvert	Roger S. Grim	Fred O. Spann
Joseph W. Cornwall	Russell Heinemann	Raymond G. Stanton
Samuel M. Donlan	Barney L. Hoskin	Eugene K. Stauffer
Paul D. Fisher	Elmer E. Kunkle	Nielsen M. Still
John F. Fitzpatrick	C. L. Lillywhite	Jerry P. Uhlik
Raymond E. Giese	James F. Martin	Joseph C. Walmsley
Richard A. Gilbert	David J. McCoy	John J. Woodward
	Alice F. Owen	

Pensions Discontinued

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

Fire

Alexander Babchuck	Geo. H. Hemmingsen	Arthur D. McIntyre
George G. Bean	George R. Hogan	John L. McMunn
Fred H. Behrns	William E. Hurst	Gerald E. Moore
Everett A. Bennett	C. W. Jerrue	Ulrich C. Muller
Ira L. Carpenter	Archie L. Johnston	George M. Rawson
Arnold E. Carette	O. C. Keeter	Marvin C. Shields
Daniel L. Cirlos	Thomas A. Lamona	Solomon D. Sepulveda
Thomas Cull	Leslie W. Lang	Andrew J. Smith
John I. Duncan	Otto B. Lewis	James J. Terrel
George W. Fahrman	R. F. Massey	Clarence S. Tobin
Austin O. Glaze	Frank C. McDowell	Clyde A. Weyant
Bernard J. Healy	Thos. A. McGrath	

Police

Sol Baizer	William L. Howard	Chris M. Sheehan
Frank O. Boteler	James F. Kavanagh	Claude D. Sims
Thomas E. Brendlinger	Andrew Lockhart	Willis V. Small
Joseph B. Bunning	John J. O'Grady	Howard L. Smith
LeRoy L. Burke	Carl M. Payne	Eugene K. Stauffer
Harold C. Colling	Eddie A. Phillips	Wallace S. Temple
Homer B. Cross	Theodore Robinson	Michael L. Tkach
Lesco V. Hanson	Albert A. Schulz	George W. Whaley
Cleveland Heath	Otto Schlinske	Lawrence Williams
James J. Hickey	Reuben Scott	Marion E. Wise

Service Retirements by Years

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
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
1956-1957	18	32	50

In accordance with the Charter amendment of June 16, 1947, 369 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 department 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
1956-1957	12	26	38

DISABILITY PENSIONS

Pensions Granted

A total of thirty-five members of the Fire and Police Departments were granted disability pensions during the fiscal year ended June 30, 1957, as follows:

Fire

Francis J. Aust	Albert D. Crook	Roger A. Monk
John P. Beaver	Charles P. Flynn	Gordon F. Saunders
Alvin A. Cowell	Frank S. Howard	Clifford J. Trump
	John E. Kemper	

Police

James E. Barrick	Floyd R. Harris	Howard E. Robinson
Edmund B. Boreman	Arthur D. Hedrick	Ernest R. Sanchez
David G. Brown	Arnold W. Hubka	G. Legan Smith
Robert E. Brown	Donald G. Ingalls	Norine E. Statzel
Anthony J. Dusich	Isadore Isaacson	Joseph H. Walulik
Clarence L. Eads	Joe S. Kelley	Jerald W. Wass
Colin C. Forbes	Richard C. Kersey	Joseph A. Wilson
Arthur W. Frank	Theodore Kuhlkin	Wesley K. Wilson
	William A. Manis	

Pensions Discontinued

Sixteen disability pensions were discontinued on account of death or restoration to active duty from disability pension during the current fiscal year and the names of such individuals are listed as follows:

Fire		
Albert D. Lenhart*	Orval W. Sage	Henry E. Willits
Police		
Leslie R. Brewer, Jr.*	Mabel S. Eastman	William P. Monroe
Joseph J. Campbell	Juanita Edwards	Emmitt W. Moore
George F. Cherry	Thomas S. Gleeson	Edward E. Turner
John C. Dunning	Arnold W. Hubka	Wesley K. Wilson
	James B. Kavanaugh	

*Restorations

Disability Retirements by Years

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

	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
1956-1957	8	2	14	11	35

Analysis of Rates

There are 306 service-connected disability pensions and 66 non-service-connected disability pensions classified by rates in the following schedule as of June 30, 1957:

Rate	Fire	Police	Total
40%	24	44	68
50%	43	48	91
55%	13	12	25
57½%	1	---	1
60%	28	41	69
65%	20	45	65
66⅔%	1	---	1
70%	2	3	5
75%	10	23	33
80%	1	3	4
85%	2	1	3
90%	2	5	7
TOTAL	147	225	372

Analysis of Disability Pensioners by Age

Age	Fire	Police	Total
30- 35	8	19	27
35- 40	12	37	49
40- 45	15	22	37
45- 50	17	16	33
50- 55	22	15	37
55- 60	31	53	84
60- 65	18	38	56
65- 70	13	13	26
70- 75	6	8	14
75- 80	3	2	5
80- 85	2	1	3
95-100	---	1	1
TOTAL	147	225	372
Average Age	53	51	52

LITIGATION**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, wherein approximately 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, judgments were entered in favor of the City and petitioners appealed therefrom prior to the beginning of the fiscal year. Appellants served and filed their opening brief on January 29, 1957, the City served and filed its answering brief on May 7, 1957 and appellants served and filed their closing brief on June 11, 1957. A hearing was had on June 19, 1957 in the District Court of Appeal which, as of the close of this fiscal year, had not decided the issues raised by the appeals.

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

In this action, commenced prior to this fiscal year, plaintiff sought a refund of contributions paid into the Fire and Police Pension Fund during the period that he was employed in the Police Department. The case was tried on December 6, 1956 and judgment was entered in favor of the City on December 17, 1956. Plaintiff did not appeal from the judgment and the same is final and conclusive.

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

In this action, commenced prior to this fiscal year, plaintiff sought a refund of contributions paid into the Fire and Police Pension Fund during the period that he was employed in the Police Department. The case was tried on October 2, 1956 and judgment was entered in favor of the City on October 5, 1956. Plaintiff filed his notice on appeal therefrom and a hearing thereon was set for February 21, 1957 in the Appellate Department of the Superior Court. However, plaintiff filed his abandonment of the appeal on February 1, 1957 and the court filed its order dismissing the appeal on February 5, 1957. The judgment in this case is final and conclusive.

Jacke v. Board of Police Pension Fund Commissionees, etc., et al

In this action, commenced prior to this 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. The action was originally filed in the Municipal Court but was transferred by said Court to the Superior Court on October 15, 1956. The case has been set for pretrial conference on August 5, 1957 and for trial on September 24, 1957.

Guardianships

During the fiscal year 41 accountings were received and carefully examined; objections were registered to one accounting; one return of sale of real property and one return of sale of personal property were made; and there were two petitions for confirmation of the aforementioned sales. In addition, the following petitions were received: One petition to add property to the assets of a minor and for the minor's maintenance; 1 petition for the appointment of a successor guardian and for allowance for support; 1 petition for the advancement of funds for support; 2 petitions for authority to lease real property for the production of oil; 1 petition for additional maintenance. Twelve requests for special notice were prepared, served and filed; 3 guardianships of incompetents were discontinued on account of death; 11 guardianships of incompetents were added; 1 guardianship of a minor was discontinued on his attaining majority; 3 guardianships of minors were added. As of the close of the fiscal year there were 55 active guardianships, 32 covering 45 minors and 23 covering incompetents.

Maritals

In addition to examining the marital records of many pensioners and their wives, the marital histories of 360 active firemen and their wives, 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, 271 of these files contained all necessary information and documents; 47 of them contained some but not all of the information and documents; 21 contained only marital forms but no documents and 21 of them, those of single men, require no documents; 67 previously incompleated files were completed. 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.

Opinions and Reports

Among formal opinions rendered during the fiscal year there were two that bear special comment because of the impact of costs upon the Pension Department. The first of these related to the adoption by the City Council of an ordinance providing for longevity pay provisions affecting active members of the Fire and Police Departments. The opinion held that a 6% deduction is to be made from any longevity pay which may be paid to a member; that longevity pay is, for the purpose of computing a service-connected disability pension, a part of the salary attached to the rank held by the member but only if he is receiving the same as of the date of his retirement and only in the monthly amount which he is receiving; that such pay, for the purpose of computing a service pension, is a part of the salary

assigned to the ranks held by the member during the three years immediately preceding the date of his retirement but only in the monthly amount received and only for the period or periods during which he received it; that such pay, for the purpose of computing a dependent's pension other than one payable by reason of a non-service-connected death while ineligible to service retirement, is, but with the same limitations which are applicable to a service pension, a part of the salary assigned to the ranks held by the member during the three years immediately preceding the date of his death; that such pay, for the purpose of computing a non-service-connected disability or a dependent's pension payable by reason of a non-service-connected death while ineligible to service retirement, is not a part of the highest salary attached to the rank of policeman or fireman regardless of whether the member, at the time of his retirement or death or prior thereto, is or was receiving the same.

The second opinion of interest held that three Inspectors of Police, appointed subsequent to January 17, 1927 and retired on service pension prior to April 18, 1957, the effective date of the amendment to Section 181½ of the City Charter which eliminated the maximum service pension payable to members appointed after such date, were entitled, but only from such date, to increased service pensions calculated upon the average monthly rate of salary assigned to the ranks, including that of Inspector of Police, held during the three years before their respective retirements.

OPERATIONS

The cash balance at June 30, 1957 was \$311,312.00 as compared to \$1,205,436.00 on June 30, 1956. The bond portfolio showed an increase of \$2,700,000.00 with a total par value of \$26,866,000.00 and an appraised value of \$23,867,918.00. Surplus of \$1,913,250.00, resulting from operations, was added to the reserve. Losses from the sale of investments amounted to \$20,789.00.

Real Property

A quitclaim deed to a portion of one parcel of property was sold during the year for \$106.50. At the end of the fiscal year there were 97 properties on hand. Two reconveyances were prepared and executed after the notes which were secured by deeds of trust fully paid. There were three trust deeds remaining at June 30, 1957. Title to two properties was made marketable and insurable.

Surety Bonds


Six of the 12 employees were under bond as follows:

Position	Amount of Bond
Manager-Secretary	\$50,000
Chief Accountant	25,000
Executive Assistant	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,

A handwritten signature in cursive script that reads "M. Lewis Thompson".

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, 1957 and June 30, 1956, 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 include 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, 1957 and June 30, 1956 and the results of its operations for the fiscal years then 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.

Los Angeles, California
September 6, 1957

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

**BALANCE SHEETS
June 30, 1957 and 1956**

EXHIBIT I

ASSETS

Cash:	June 30, 1957	June 30, 1956
Deposits with Treasurer of the City of Los Angeles	\$ 311,312	\$ 1,205,436
Cash Revolving Funds	325	325
Cash in Suspense	71	71
	\$ 311,708	\$ 1,205,832
Investments:		
Bond Investments — General — at Par (value based on market quotations, \$23,867,918 and \$23,044,276, respectively	26,866,000	\$24,166,000
Street Improvement Bonds— at Par	7,119	10,768
Treasurer's Deeds—at Cost	1,161	1,267
Trust Deeds Receivable—at Cost	2,090	4,274
Real Property—at Cost	23,836	23,864
	\$26,900,206	\$24,206,173
Bond Premiums, less discounts of \$80,327 and \$64,996, respectively	127,574	149,818
Accrued Interest	245,504	130,251
	\$27,584,992	\$25,692,074

See accompanying notes to financial statements.

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

**BALANCE SHEETS
June 30, 1957 and 1956**

EXHIBIT I

LIABILITIES

	June 30, 1957	June 30, 1956
Accounts Payable	\$ 819	\$ 362
Unclaimed Pensions	-----	6,825
Deferred Credits:		
Prepaid Payments—Street Bonds	1,361	1,361
Fund Capital:		
Accumulated Surplus	\$25,102,360	\$23,182,285
Reserve for Investment Losses ..	2,480,452	2,501,241
	\$27,582,812	\$25,683,526
Contingent Liabilities (Note 2)	\$27,584,992	\$25,692,074

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

STATEMENT OF OPERATIONS
Fiscal Years ended June 30, 1957 and 1956

EXHIBIT II

Revenue:	Fiscal Year Ended June 30, 1957	Fiscal Year Ended June 30, 1956
Taxes	\$ 5,052,812	\$ 4,680,767
Interest	737,261	669,184
Members' Contributions	2,599,947	2,293,139
Sales of Unclaimed Property	66,351	16,197
Bonus	35	110
Donations	435	352
Miscellaneous	634	286
Revenues available for current years expenditures	\$ 8,457,475	\$ 7,660,035
Expenditures:		
Pensions Paid:		
Service	\$ 4,161,635	\$ 4,096,812
Disability	750,143	712,129
Widows	1,294,678	1,197,976
Minors	35,049	34,618
Dependents	6,339	7,010
Non-Service:		
Disability	126,255	100,380
Widows	65,506	54,649
Minors	17,037	13,913
	\$ 6,456,642	\$ 6,217,487
Administrative Expenses	\$ 87,583	\$ 87,370
	\$ 6,544,225	\$ 6,304,857
Excess of Revenues Over Expenditures	\$ 1,913,250	\$ 1,355,178

See accompanying notes to financial statements.

CITY OF LOS ANGELES
FIRE AND POLICE PENSION FUND

STATEMENT OF FUND CAPITAL
Fiscal Years ended June 30, 1957 and 1956

EXHIBIT III

	June 30, 1957			June 30, 1956		
	Accumulated Surplus	Reserve for Investment Losses	TOTAL	Accumulated Surplus	Reserve for Investment Losses	TOTAL
Balance at beginning of period	\$23,182,285	\$ 2,501,241	\$25,683,526	\$21,828,581	\$ 2,495,250	\$24,323,831
Add:						
Net gain on disposition of investments	-----	-----	-----	-----	5,991	5,991
Payment of prior year's unclaimed pensions 6,825	6,825	-----	6,825	-----	-----	-----
Excess of revenues over expenditures	1,913,250	-----	1,913,250	1,355,178	-----	1,355,178
	<u>\$25,102,360</u>	<u>\$ 2,501,241</u>	<u>\$27,603,601</u>	<u>\$23,183,759</u>	<u>\$ 2,501,241</u>	<u>\$25,685,000</u>
Deduct:						
New loss on disposition of investments	-----	20,789	20,789	-----	-----	-----
Provision for current year unclaimed pensions	-----	-----	-----	1,474	-----	1,474
Balance at end of period (Note 1)	<u>\$25,102,360</u>	<u>\$ 2,480,452</u>	<u>\$27,582,812</u>	<u>\$23,182,285</u>	<u>\$ 2,501,241</u>	<u>\$25,683,526</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, 1957 is comprised substantially of the net gains realized from investment transactions consummated after June 30, 1940. It is the accounting policy of the fund not to provide for the fluctuations in market value of bonds as such investments are usually held to maturity and if so held they should be substantially redeemed at par.
 - (2) There were five legal actions pending at June 30, 1957 contesting the method of computing pensions of certain members. In these proceedings, commenced during fiscal year 1954-55, about eight hundred 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 revisions were amended to provide the 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 judgments in favor of defendants in all five proceedings. Plaintiffs, prior to the beginning of the fiscal year, had appealed from such judgments and a hearing thereon was had before the District Court of Appeals on June 19, 1957. By the close of the fiscal year, the Court had not determined the issues raised by the appeals. The amount of additional liability, if any, at June 30, 1957 is indeterminable and no provision has been made therefor in the accounts.

CITY OF LOS ANGELES
ADMINISTRATIVE EXPENSE COMPARED
SCHEDULE 1

OPERATING EXPENSE	1956-57	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51
Salaries	\$ 70,382	\$ 69,086	\$ 63,499	\$ 62,152	\$ 60,100	\$ 51,297	\$ 49,015
Communications	592	633	621	550	597	568	530
Insurance and Bond Premiums	417	515	284	1,302	366	1,813	396
Office Equipment	610	246	603	555	294	102	-----
Office Supplies	756	772	494	467	763	776	1,109
Printing and Binding	1,123	1,063	1,030	1,052	863	965	805
Traveling	401	216	43	269	665	889	405
Investment	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Field Equipment	150	20	29	185	313	215	170
Maintenance and Repairs	75	14	17	20	-----	12	-----
Petroleum Products	150	62	87	-----	-----	-----	-----
Transportation	7	72	14	85	1	2	30
Annual Audit	934	950	795	766	937	684	610
Litigation	888	831	620	481	148	7	101
Mailing Service	151	290	295	229	184	171	144
Medical Service	6,883	7,207	6,924	6,966	7,147	5,491	5,263
Miscellaneous	52	-----	8	310	194	18	60
Actuarial Investigation	-----	636	-----	-----	7,050	-----	-----
Equipment, Furniture and Fixtures	1,012	1,757	186	1,576	765	405	2,389
	<u>\$ 87,583</u>	<u>\$ 87,370</u>	<u>\$ 78,549</u>	<u>\$ 79,965</u>	<u>\$ 83,387</u>	<u>\$ 66,415</u>	<u>\$ 64,027</u>

STATEMENT OF CASH RECEIPTS AND SOURCES THEREOF

Fiscal Years 1950-51 to 1956-57 Compared

SCHEDULE 2

	1956-57	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51
Total Receipts and Revenue.....	\$9,655,119	\$8,962,055	\$11,467,307	\$8,036,760	\$7,182,667	\$6,986,392	\$7,418,315
Deduct:							
Revenue (Exhibit II)	\$8,457,475	\$7,660,035	\$ 7,324,860	\$6,866,355	\$6,386,990	\$5,838,291	\$5,444,137
Adjustments							
Accrued Interest	115,252*	58,093	23,995*	18,114*	1,659*	7,340*	24,653*
Prepaid Interest	20,567	23,600	20,790	9,028	3,263	9,602	17,814
Bond Premiums Amortized	657	25,637	7,427	5,554	7,595	5,246	7,677
Miscellaneous	383	6,742	241	2,226	116	124	247
TOTAL REVENUE RECEIPTS.....	\$8,363,830	\$7,774,107	\$ 7,329,323	\$6,865,049	\$6,396,305	\$5,845,923	\$5,445,222
CAPITAL RECEIPTS	\$1,291,289	\$1,187,948	\$ 4,137,984	\$1,171,711	\$ 786,362	\$1,140,469	\$1,973,093
ANALYSIS CAPITAL RECEIPTS							
Bond Investments	\$1,285,350	\$1,169,000	\$ 4,129,156	\$1,150,859	\$ 759,288	\$1,098,971	\$1,913,727
Street Improvement Bonds	3,649	6,630	4,671	8,501	9,946	6,779	8,523
Real Property	106	1,955	750	2,715	4,873	6,517	18,732
Trust Deed Installments	2,184	10,363	3,407	9,636	12,255	28,110	31,998
Miscellaneous Collections						92	113
TOTALS	\$1,291,289	\$1,187,948	\$ 4,137,984	\$1,171,711	\$ 786,362	\$1,140,469	\$1,973,093

*Deductions

STATEMENT OF CASH DISBURSEMENTS AND OBJECTIVE THEREOF

Fiscal Years 1950-51 to 1956-57 Compared

SCHEDULE 3

	1956-57	1955-56	1954-55	1953-54	1952-53	1951-52	1950-51
Total Disbursements	\$10,549,243	\$9,743,681	\$10,401,440	\$8,855,922	\$6,273,659	\$7,587,571	\$7,883,056
Deduct:							
Expenditures (Exhibit II).....	6,544,225	6,304,857	5,995,430	5,700,324	5,520,293	5,319,422	5,058,274
Adjustments							
Prepaid Interest	20,567	23,600	20,790	9,028	3,263	9,602	17,814
Expense Abatements	345	895	56	2,248	52	30	195
Accounts Payable	819*	362*	217*	327*	4,811*	335*	47*
Interest Earned	1,747*	20,674	1,198*	2,119*			
Miscellaneous	177	206	114	4,689	43*	2,465*	494
TOTAL OPERATING DEDUCTIONS	\$ 6,562,748	\$6,349,870	\$ 6,014,975	\$5,713,843	\$5,518,754	\$5,326,254	\$5,076,730
CAPITAL OPERATIONS	\$ 3,986,495	\$3,393,811	\$ 4,386,465	\$3,142,079	\$ 754,905	\$2,261,317	\$2,806,326
Analysis—Capital Operations							
Bond Investments	\$ 3,986,250	\$3,393,200	\$ 4,385,980	\$3,141,885	\$ 754,770	\$2,261,087	\$2,799,806
Real Property	22	104	87	94	70	136	6,130
Unapplied Charges—Investments	223	507	398	100	65	94	390
TOTALS	\$ 3,986,495	\$3,393,811	\$ 4,386,465	\$3,142,079	\$ 754,905	\$2,261,317	\$2,806,326

*Deductions

**FIRE AND POLICE PENSION FUND
BOND DISTRIBUTION**

June 30, 1957

SCHEDULE 4

UNITED STATES GOVERNMENT	Rate	Maturity Date	Par Value
Federal Land Bank	3½	1971	\$ 300,000
Federal Land Bank	2¼	1960	200,000
Federal Land Bank	4½	1972	400,000
U. S. Savings "G"	2½	1958/62	1,100,000
U. S. Treasury	2½	1965	250,000
U. S. Treasury	2½	1967/62	500,000
U. S. Treasury	2½	1968/63	400,000
U. S. Treasury	2½	1969/64	50,000
U. S. Treasury	2¾	1980/75	3,600,000
U. S. Treasury	3¼	1983/78	200,000
F. N. M. A.	3.90	1957	300,000
Fed. Inter. Cr. Bank	3.75	1957	210,000
Fed. Inter. Cr. Bank	3⅞	1957	200,000
Central Bank for Co-op.	3⅞	1957	190,000
U. S. Treasury Bills		7-25-57	400,000
TOTAL GOVERNMENTS			\$8,300,000
 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	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 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 Electric	3½	1976	300,000
General Motors Acceptance	3⅝	1975	200,000
General Motors Acceptance	2¾	1964	400,000
General Motors Corp.	3¼	1979	500,000
Great Northern Ry.	2¼	1961	200,000
Illinois Bell Tel.	2¾	1981	150,000

**FIRE AND POLICE PENSION FUND
BOND DISTRIBUTION**

June 30, 1957

SCHEDULE 4

CORPORATES—(Continued)	Rate	Maturity Date	Par Value
Illinois Bell Tel.	3	1978	\$ 200,000
Illinois Central R. R.	4½	1969	100,000
Illinois Central R. R.	4½	1968	200,000
Illinois Power	2⅞	1979	100,000
Inland Steel	3½	1981	300,000
Long Island Lighting	3	1958	100,000
Long Island Lighting	3¼	1972	100,000
Metropolitan Edison	2¾	1980	200,000
Michigan Bell Tel.	3½	1988	200,000
Mountain States Tel.	2⅝	1986	100,000
National Steel	3½	1982	250,000
New England Tel. & Tel.	3	1974	200,000
New Jersey Bell Tel.	3½	1988	250,000
N. Y. State Elec. & Gas	3¼	1984	200,000
New York Telephone	3	1981	100,000
New York Telephone	3	1989	200,000
Northern Indiana Public Service	3½	1973	150,000
Northern States Power (Minn.)	2¾	1975	200,000
Northern States Power (Wisc.)	3	1979	199,000
Ohio Edison	2⅞	1980	200,000
Pacific Gas & Elec.	3	1979	200,000
Pacific Gas & Elec.	3	1983	30,000
Pacific Great Eastern R. R.	4⅜	1982	200,000
Pacific Tel. & Tel.	3½	1983	150,000
Pennsylvania Power & Light	3	1975	200,000
Pennsylvania Salt Mfg.	3.45	1981	200,000
Peoples Gas Light & Coke	3¼	1979	200,000
Phillips Petroleum	2¾	1964	100,000
Potomac Electric Power	2⅞	1984	200,000
Potomac Electric Power	2¾	1985	100,000
Public Service N. H.	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
San Diego Gas & Electric	2⅞	1984	100,000
Shell Union Oil	2½	1971	400,000
Southern Bell Tel.	3	1979	150,000
So. California Edison	3½	1973	100,000
Southern Counties Gas	3¼	1984	200,000
Southwestern Bell Tel.	3½	1983	100,000
Southwestern Public Service	3.20	1979	196,000
Standard Oil N. J.	2¾	1974	500,000
Swift & Co.	2⅞	1973	48,000
Swift & Co.	2⅝	1972	152,000
Union Oil of California	2¾	1970	400,000
Union Pacific Ry.	2⅞	1976	500,000
Virginia Electric Power	3	1978	100,000
Westinghouse Electric	3½	1981	200,000
Wisconsin Electric Power	3½	1984	150,000
Wisconsin Power & Light	3¼	1971	144,000
Wisconsin Public Service	3¼	1971	134,000
TOTAL CORPORATES			\$17,006,000

**FIRE AND POLICE PENSION FUND
BOND DISTRIBUTION**

June 30, 1957

SCHEDULE 4

MISCELLANEOUS	Rate	Maturity Date	Par Value
British Columbia Power Comm.	4 $\frac{3}{8}$	1987	\$ 200,000
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
Province of Saskatchewan	4 $\frac{3}{4}$	1977	300,000
Quebec Hydro Electric Comm.	3 $\frac{1}{2}$	1981	300,000
TOTAL MISCELLANEOUS ..			\$ 1,560,000
TOTAL PAR VALUE			\$26,866,000
Appraised Value	\$23,867,918		
Book Value	\$26,993,574		

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 $\frac{1}{2}$. The limitations of the amount of maximum pension payable pursuant to Section 181 of this Article shall apply uniformly to all members of the Fire and Police Departments.

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 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. 182½. If at any time any member of the Fire or of the Police Department or the widow, child or children, or dependent parent or parents of any such member, or any other person hereafter entitled under the provisions of this article to pension benefits, shall be granted, because of the sickness, injury or death of such member, any compensation or award, under any general law providing for compensation or indemnity in case of the sickness, injury or death arising out of the performance of duty of such member, then and in that event any payments made pursuant to the provisions of this article to such member or to such widow, child or children, dependent parent or parents or other person, shall be construed to be and shall be payments of such compensation or award under such general law, and any payments made under the provisions of this article shall be first applied to payment of such compensation or award and any balance of such payments made pursuant to the provisions of this article shall be deemed to be pension payments; and it is hereby provided that the pension provided for in this article for such member or such widow, child or children, dependent parent or parents, or such other person in case of any such award under such general law, shall be reduced in amount to the difference between the amount of pension provided for in this article, and the total amount of such compensation or award granted and paid under such general law until the total amount awarded under such general law shall have been fully paid.

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

Sec. 183. Whenever any member of the Fire or Police Department shall die as a result of any injury received during the performance of his duty, or from sickness caused by the discharge of such duty, or after retirement, or while eligible to retirement from such department on account of years of service, then an annual pension shall be paid in equal monthly installments to his widow, or child or children, or dependent parent or parents, in an amount equal to one-half ($\frac{1}{2}$) of the average monthly rate of salary 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 hereabove set forth; for two children, forty per cent (40%) of such pension; and for three or more children, fifty per cent (50%) of such pension. Provided, further, however, that no widow of a pensioner shall be entitled to a pension unless she shall have been married to such deceased pensioner at least one year prior to the date of his retirement; and provided, further, that no widow of a member of the Fire or Police Department eligible for retirement from such department, who dies from causes other than those arising out of or from the performance of his duties, shall be entitled to a pension unless she shall have been married to such deceased member for at least one year prior to the date of his death, and provided, further, that if such widow, child or children shall marry, then the pension paid to the person so marrying shall cease, and provided, further, that should the dependency of such parent or parents terminate, then the pension paid to such dependent parent or parents shall cease. Provided, however, that the pension payable hereunder to the widow, child or children or dependent parent or parents of a member of the Fire or Police Department who became a member of such department on or subsequent to January 17, 1927, who, after retirement on account of years of service, but having served less than twenty-five years in the aggregate prior to the time of such retirement, or who, while eligible to retirement from such department on account of years of service, but prior to having served twenty-five years in the aggregate shall die from causes other than those arising out of or from the performance of his duties, shall not exceed the amount of the pension which such retired member was receiving at the time of his death or which such member eligible for retirement would have been eligible to receive at the date of his death under the provisions of Section 181 and 181 $\frac{1}{2}$

of this charter, and the additional amount payable to such widow on account of children pursuant to the provisions of this section shall be the applicable percentage hereinabove set forth of a pension in such maximum amount.

Sec. 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 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 said current fiscal year and all moneys received and anticipated to be received into said fund during said fiscal year.

The Council shall annually levy a tax clearly sufficient to produce a sum in the total amount of all 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.

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.