

The Guardian

Los Angeles Police Relief Association, Inc.



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Third Quarter 2010

Annual Treasurer's Report

By Tim McBride

Each year an independent CPA firm analyzes the Los Angeles Police Relief Association's financial operations and produces an annual report.

From that report, LAPRA's board of directors produces a summary for our members. Most of you know LAPRA as the administrator of your medical, dental, vision, term life insurance, self insured life, and emergency relief and sick benefits. We have for many years also administered a Café Fund and Alma Nelson Fund.

The Café Fund started many years ago before many of you were born. On the eighth floor of Parker Center, LAPRA operated a cafeteria that fed all of the employees of the police building as well as other downtown city employees. It was a great place to meet and get a cup of coffee and do business while getting a great meal at an affordable price. As the years passed and logistical needs of the building required additional office space, the cafeteria closed and the canteen on the first floor of the building opened providing coffee, sandwiches and snacks. LAPRA hoped that what little profit it generated would help support and expand the emergency relief fund. However,

the desire to provide affordable food and coffee for our members won out over making a profit and the fund lost money over the past several years.

It is said "time waits for no one" and now LAPD is housed in a new building – no more café, no more canteen. Kind of a sad day for us old folks but the battle between profitability and service is over. Therefore, that category on the summary financial statement, or for that matter the Annual Report, will no longer be there. For that matter, the Alma Nelson Fund will also disappear. A lady named Alma Nelson made a small donation many years ago to LAPRA for our members and although that money has already been dispensed to members, the board continued to use the name Alma Nelson Fund for other money periodically donated to the Association. That fund and future donations will be placed in the recently formed Los Angeles Police Relief and Assistance Foundation LAPRAF, so Alma Nelson Fund will also disappear from the Summary Financial Statement and future Annual Reports.

The 2009 Audit, as in previous years, was an "unqualified" audit which means the CPA firm was able to



Tim McBride

review all financial material it needed to do a complete audit and render a professional opinion regarding the financial status of the association. That opinion is reflected on the first page of the audit. It states "In our opinion, the financial statements present fairly, in all material respects, the financial status of the Association and the changes in its financial status for the

years ended in conformity with accounting principles generally accepted in the USA." The board is pleased to offer the financial summary here in this publication.

From an investment point of view, 2009 was a recovery year. For many years to come, results will likely be measured by what happened in 2008 dubbed in some publications "The Great Recession." How great it was will depend on what happens in the future but fortunately for LAPRA and its membership, the 15% loss of 2008 was regained in 2009.

Many moons ago, I worried that most investment managers proffering advice to others had never been through a bear market since the period from 1982 to 2000 marked one of the longest bull markets in history. Then the bear markets of 2000, 2001 and 2002 came and went and then came the

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debacle of 2008 which actually was a recession beginning the fourth quarter of 2007 and ending the first quarter of 2009. Pension funds, city general funds and personal funds experienced unprecedented declines from 30% to 50% and greater. Now that is scary. Well the frosting is off the cake now and investment management will often be uncertain as we go forward pondering where to invest. It seems to me that in the investment world if you are not nervous most of the time, then you're not paying attention. A police work analogy that comes to mind is handling a family dispute. If you get casual and take them for granted, just once, then you may do what I did – walk up to a door and be met by a naked man with a gun pointed right at your gut.

The future is still very scary. Governments throughout the world are battling deflation trying desperately to inflate their economies, most thus far unsuccessfully. The risks are great since deflation carried to the extreme means no jobs, no affordable housing, no car purchases, i.e. the 1930's depression. Inflation is far more palatable in paying for yesterday's debts with inflated dollars. The outcome is not yet certain. If inflation wins, interest rates will rise and long term bond holders will lose a bundle. If deflation wins, then long term bond holders will experience good returns, ha, if any of the companies offering them are still in business.

What to do? Well, LAPRA is holding the course with a diversified component of short-term fixed income investments, international investments and equities. Even though many short-term fixed income investments especially certificates of deposit, treasuries, and other short-term



paper have little return, it is believed now the focus should be return of principle and not reaching out too far for yield. Our asset mix remains 60% fixed income, 40% equities which is the mandate of our investment policy statement.

The first quarter of 2010 was an excellent quarter for investment returns posting a positive 3% but the second quarter had almost a 3% decline. Currently, we have a small increase. Those results tend to confirm the PIMCO bond guru Bill Gross's thesis of a "new normal." He believes we are in a new slow or no growth environment. This really means we all have to change our expectations for returns. We only have to watch a moment on TV or read a local paper to see the desperation of governments to pay their bills. What this means for health care remains to be seen, so stay tuned.

Let's discuss a few of LAPRA's past and current investment successes.

These are up to July of this year and are annualized figures:

PIMCO Total Return Fund

1 year	13.0%
3 year	10.8%
10 year	7.5%

Vanguard GNMA

1 year	8.3%
3 year	8.2%
10 year	6.4%

Dodge and Cox Income

1 year	12.3%
3 year	7.7%
10 year	6.9%

T Rowe Price International Bond Fund

1 year	-2.2%
3 year	-0.6%
10 year	6.0%

First Eagle Global

1 year	15.4%
3 year	-0.6%
10 year	11.9%

As in the past, this board will remain vigilant in protecting your assets for your benefit as much as possible. ■

Los Angeles Police Relief Association, Inc.

Summary of Financial Statement Statement of Net Assets Available for Benefits and Benefit Obligations December 31, 2009

	Self-Insured and Insured Plans	Emergency Relief Fund	Nelson Memorial Fund	Café Fund	Total 12/31/09
NET ASSETS AVAILABLE FOR BENEFITS					
ASSETS					
Investments, at Fair Value					
• Certificates of Deposit	\$5,736,495	-	-	-	\$5,736,495
• Common Stocks	573,093	-	28,437	-	601,530
• Mutual Funds	37,257,422	-	-	-	37,257,422
• Cash in Interest Bearing Accounts	2,487,003	-	-	-	2,487,003
• Total Investments	<u>46,054,013</u>	-	<u>28,437</u>	-	<u>46,082,450</u>
Receivables					
• Employer Contributions	532,630	-	-	-	532,630
• Other	698,948	104,875	(7,422)	(10,600)	785,801
• Total Receivables	<u>1,231,578</u>	<u>104,875</u>	<u>(7,422)</u>	<u>(10,600)</u>	<u>1,318,431</u>
Prepaid Expenses and Deposits	92,867	-	-	-	92,867
Obligation Reserves	41,582,166	-	-	-	41,582,166
Cash	184,572	-	-	10,602	195,174
Net Property and Equipment	5,340,738	-	-	-	5,340,738
TOTAL ASSETS	<u>94,485,934</u>	<u>104,875</u>	<u>21,015</u>	<u>2</u>	<u>94,611,826</u>
LIABILITIES					
Accounts Payable and Accrued Expenses	925,880	-	-	2	925,882
Los Angeles Police RB&I Association	9,906	-	-	-	9,906
Advanced Member Contributions	383,780	-	-	-	383,780
Police Charity Plan	116,812	-	-	-	116,812
TOTAL LIABILITIES	<u>1,436,378</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>1,436,380</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>93,049,556</u>	<u>104,875</u>	<u>21,015</u>	<u>-</u>	<u>93,175,446</u>
BENEFIT OBLIGATIONS					
Amounts Currently Payable for Participants	294,687	-	-	-	294,687
Amounts Due to Insurance Companies	11,323,360	-	-	-	11,323,360
Paid-Up Life Insurance for Participants	1,294,238	-	-	-	1,294,238
Estimated Future Death, Policy Surrender and Sick Benefits	19,588,827	-	-	-	19,588,827
TOTAL BENEFIT OBLIGATIONS	<u>32,501,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,501,112</u>
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	<u>\$60,548,444</u>	<u>\$104,875</u>	<u>\$21,015</u>	<u>-</u>	<u>\$60,674,334</u>

Actuarial Report

By Tim McBride

Each year LAPRA's board of directors contracts with an actuarial firm to determine the ability of the Association to meet its responsibilities in funding member benefits in the self-insured life and emergency relief programs. Due to the nature of the actuarial process, this report is always at least a year late. The current report documents the results and the opinion of the actuary for calendar year 2008. Although not exciting to read or for that matter to write, this is an important part of Association business to ensure members' benefits are sufficiently funded. Happily, as in previous reports, the actuary indicates there are sufficient funds to continue current benefits unchanged.

The past ten years of investment experience have been the most difficult in history. The bear market years of 2000, 2001, and 2002 coupled with the "great" recession of 2008 negatively impacted returns for these funds with an average ten-year return rate of 4.55%. The actuary however has retained the investment return assumption of 7.5% as he looked at the expected rate of return over a fifty-year period based on the historical return rate for the association.

Because of that long term outlook, actuaries need to look at mortality rates and LAPD rates favorably. Although each year we lose some members, our LAPD family members both active and retired are among the healthiest in the country; therefore, we have a far lower mortality rate than the national rate. During 2008, we lost 5 active members vs. 12 the previous year and 103 retired members vs. 115 the previous year. These mortality rates are well below the national average.



As of the close of calendar year 2008, LAPRA had one member over 100 years; 6 in the 95-99 year range; 73 in the 90-94 year range, and 295 in the 85-89 year range. Roll call messages should be applauding the success of our retired members in surpassing their years of service for the foreseeable future.

One might ask, "What is the self-insured life program?" Each month, members contribute \$3.00 in dues. When a member reaches the 25-year service mark, he is deemed to be paid-in-full and no longer needs to pay dues to LAPRA. In addition, the member maintains a LAPRA self-insured death benefit, if you will, of \$10,000 for active members and \$6,000 for retired members. This was originally envisioned in the early years of LAPD as a burial fund. Even though the benefit has periodically increased so have the costs of burials. If a retiree chooses at the 25th year of service this benefit may be cashed in for \$1,500.00. Of course, we do not recommend this. One can easily do the math, \$3.00 per month for 25 years and for that you receive a death benefit that is well beyond the contribution. LAPRA has never raised your dues in our 90+ years of existence.

The emergency relief program funds a variety of needs experienced by department members. Some examples include a member who loses his house and all his belongings in a fire. LAPRA has provided checks to help the member clothe his family and find interim housing until the insurance can step in with additional support. Disabled members need work done on their homes to allow wheel chair access or a specially designed van so LAPRA with other organizations such as the Memorial Fund and the Protective League provide assistance. Periodically, paychecks get lost, miss-mailed or shorted due to administrative error and LAPRA makes up that loss until the wheels of government can correct the mistake. Occasionally, officers due to circumstances beyond their control find themselves in dire financial straights. The board very carefully reviews these cases and may provide an advance on future earnings or a grant to members.

It is precisely this emergency relief program that motivated your LAPRA board of directors to develop the Los Angeles Police Relief and Assistance Foundation or LAPRAF. The needs of our members now far exceed the ability of LAPRA and your \$3.00 dues payments to fund all of those requests. Therefore in 2009, this foundation was formed. Although in its embryonic stage of development and use, the newly formed board of LAPRAF has already been able to assist a few of our members in need. We encourage each of you in your estate planning to consider making LAPRAF a designee of a portion of your estate. That generosity might someday lend a hand to one of your partners when he or she is in need. ■

Honoring the Women Who Protect & Serve

By Connie Dial

On September 11, 2010 at the Jack Webb Awards dinner, the Los Angeles Police Department kicked off a celebration honoring 100 years of Women in Law Enforcement. The following Monday Chief of Police Charlie Beck organized a very impressive gathering of city officials and police department leaders to honor women past and present who have worn LAPD blue. Finally, on Wednesday September 15th the women of the LAPD honored those Legendary Ladies who paved the way and made sacrifices allowing women in 2010 to reach the highest ranks

to work patrol, couldn't promote higher than sergeant and made less money than their male counterparts. Even with these obvious drawbacks for women, there was something about the LAPD that got into my blood. I loved everything about police work, the intensity and the physical and mental challenges. But I wanted a complete career which meant having the ability to promote and succeed to the best of my abilities without artificial limitations and barriers. At that time, police work couldn't offer me or any woman that opportunity so after graduation and a brief stint in the Van Nuys jail, I resigned.

decreed that finally gave women the opportunity to be police officers. I imagine the stress and impact on Sergeant Blake's professional and personal life was enormous. She did what needed to be done and her determination opened the door for women who wanted to participate in every aspect of police work on an equal footing with men.

I returned to the LAPD in 1973 as a member of the first unisex class where men and women trained together but unlike 1969 we were all police officers and would graduate to work side by side in a patrol car. Gender would never again be an institutionalized factor in paychecks or promotions. I had an incredible career, and some 40 years later, I can look back on those two academy classes and realize how lucky I was to have had the opportunity to work in this police department in any capacity.

At the luncheon, a number of the older policewomen proudly and unabashedly expressed their love for the LAPD. They didn't dwell on the difficult times, but remembered the lasting friendships and their many contributions to this great organization. It might be easy for future generations of female cops to take the trailblazing of these women for granted and forget acceptance wasn't always the norm, but maybe that's not such a bad thing. Today's female police officers can focus on doing a good job. The barriers are down. The opportunities are there and I have a feeling the continuing success and achievements of qualified women will be thanks enough. ■



of the organization. Overall each of these events was a classy, informative celebration that made me realize how closely the story of its women was tied to so many significant historical moments in the LAPD.

My introduction to this organization came in the summer of 1969. I was in the first and, as it turned out, the only class of policewomen to go through the police academy with men. There were only eight women in my class and we were given the same instruction and training as the men. At that time women weren't allowed

At the Legendary Ladies lunch, I couldn't help but admire those policewomen who didn't leave – the ones who persevered and did the difficult work in high heels and skirts, putting up with harassment, condescension or worse. They trained a lot of those younger eager guys who promoted to ranks which many women were better qualified to hold but were barred from competing for the positions. It had to be frustrating. But they stuck it out, did their best, and fought for equality.

In 1972, Sergeant Fanchon Blake filed a lawsuit which resulted in a consent

Legendary Ladies, Indeed

By Tim McBride

Congratulations to the Legendary Ladies of LAPD on the 100th anniversary of women in law enforcement. Anniversaries are a time of celebration, anticipation for the future, reflection on accomplishments and of course remembering difficulties. According to resident historical expert Gail Ryan, I have the distinction of being part of the first mother/son team in Los Angeles Police Department history. My mother Myrl McBride served for 21 years initiating service during WWII and retiring soon after my graduation in 1964. So what was it like being raised by a woman police officer?

Well, she divorced my father when I was 4 and he married Petra Hatch (McBride), my stepmother, also giving me the distinction of the first LAPD stepmother policewoman/policeman team. My father, a CHP officer, was relatively prolific in the marriage department, not unlike some of our officers as he married 5 times, the last one when he was 90 years of age. Okay, stop snickering. Both my mother and Petra are past Presidents of the Los Angeles Women Police Officers Association and sadly each of them has passed.

As our Chief Charlie Beck commented at the anniversary luncheon on September 15th these legendary ladies made LAPD what it is today just as my mother made me what I am today. She embodied the qualities of most of these women, giving me a strong belief in honesty, compassion, work ethic, strength of character, and she was a wonderful parent providing inspiration and a belief there was nothing I could not accomplish given the desire. It was that belief and self-confidence she also carried within herself. Unfortunately, she was limited by the times, by the relative newness of women in law enforcement, and by antiquated thinking, no matter how common it was for the day.

Jail and juvenile-related assignments were the only choices she had. She was truly a legendary lady as she was chosen for some select assignments such as police commission field inspection team and relief for the city mother Elizabeth Fiske. (The City Mother position was one established to provide somewhat of an ombudsman to solve problems in the city between spouses and/or children.) It was her undying belief that she could do anything a man could do,

maybe do it differently but she could accomplish the same end result and often better. One such

circumstance was during a police commission field inspection in an especially rough part of town, as she described it. Her partner and she were surrounded in a bar by over 100 very drunk and unhappy customers. In her well-dressed plainclothes assignment she stepped in front of her 6'5" partner and stated loudly and confidently, "Gentlemen, make way for a lady" and the parting of the sea of humanity occurred. Many years later that partner related to me with gratitude the story of that night when my mom saved his butt.

Several years after her retirement she visited Inspector John Kinsling at Parker Center whose office was on the same floor as Internal Affairs where I was assigned. This visit I assumed was to get some information on how her son was doing. At the precise moment that she and the Inspector walked out his door I was walking out of our offices down the hall with several other Internal Affairs investigators on our way to coffee at the 8th floor cafeteria. I then heard these dreaded words from my mother, "Oh John look, there is my little boy Timmy." Yee gads did she really have to say that. I am still taking heat from those that were part of that scene.

She was frustrated by the lack of opportunity and maybe that was what forged a long term friendship with Sergeant Fanchon Blake that endured throughout her life. This frustration was prevalent among many of the women of the day but



they served distinctively nonetheless. Finally in 1972 Fanchon sued the department, successfully, and the beginning of equality had begun. My mother wasn't too crazy about the lawsuit approach and neither were most of my contemporaries. The successes of so many women who have served subsequently validate my mother's thesis that "there is nothing a man can do that I can not do in law enforcement." She was spirited; she was confident; she was tough; she was compassionate, and she was loving.

At the luncheon I met with Fanchon. We hugged for a long time and she finally said, "Your mom was a wonderful woman and a wonderful police officer." With both of us on the edge of tears, I agreed and said "and so we're so many of you."

So many of those legendary ladies, that had a small part in making LAPD what it is today, helped raise me – Fanchon, Sidney Ball, Hattie Schaefer, Betty Eggleston, Rita Eberhardt, Augusta Bell, Betty Bowden who I talked to recently, Melva Meyers Glavas, Audrey Fletcher, Daisy Storm. Whenever I had a promotional examination I always went to Virginia Pickering and we went to lunch. She always had a toddie, not unlike my mom, and told me what she thought about the progress of women in law enforcement. As a young recruit, I remember being chewed out by Margie Collins after I did something wrong while making a booking at Lincoln Heights Jail during the 1965 riots. I remember so many more of them but I've forgotten the names of many of those legendary ladies. Nevertheless, I salute you, here or gone. We who follow you owe you so much and to my mom I owe everything. Most of these women had children and I am sure they feel the same. Legendary Ladies, indeed. ■

Following in My Footsteps

By Paul Enox

As I reflect back on my journey through this adventure we call life, I find myself focusing on two very significant events in my life; joining the Los Angeles Police Department in 1975 and the birth of my daughter in 1983. When these two separate and distinct events occurred, I had no reason to believe they would become interconnected.

Certainly my perspective on life became different with the birth of my daughter, Shannon. It made coming home safely at the end of a shift that much more important. Because now in addition to a wife to come home to, I also had a daughter. It made being as successful as possible in my career even more important so that I would be in a better position to try to provide them with the "good life".

Throughout my career, I met people who were second, even third generation members of the Department. I thought it was probably a pretty neat thing to be a son or daughter, father or mother, or brother or sister of an LAPD officer. However, I didn't truly relate to it since no one in my family was or ever had been a police officer, much less a member of the Department.

As my daughter moved towards adulthood, like most parents I had ideas about what I'd like to see her do with her life. I have to be honest here, becoming an officer for LAPD was not one of those ideas. If you knew this and you said "I bet you were surprised when you found out Shannon was going to join the Department," I would have told you that you were a master of understatement. Shocked would have been more like it.

After recovering from the initial shock, I find myself very proud that Shannon

is a member of the Department. I remember the first time I ever saw her in uniform. It was just like the first time I saw her in the nursery at the hospital after she was born. I was convinced she was the prettiest baby in the nursery. I was equally convinced after seeing her in uniform for the first time that no officer had ever looked better in the uniform.

And as I listened to her relate her experiences in the Academy, on probation, and in her various assignments, I experienced a kaleidoscope of emotions, the most prominent of them being pride. It's a very special thing when your child follows you into your chosen profession. Your child cannot give you greater affirmation of the choice you made when you chose your profession then to follow in your footsteps and choose the same profession.

Back in 1975 when Badge No. 7316 was issued to me, I would have never believed that in 2008 I would be pinning that same badge number on the uniform of my daughter. LAPD is a Department with great traditions. It is a source of great pride to know that my daughter will help to carry on those traditions.

Like any parent, I want my daughter to be successful and leave a bigger footprint than I did. I am quite confident she will. ■



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The Guardian Gets a New Look

With this edition of The Guardian newsletter, you’ll see a new look including a new format and up-to-date professional layout. Our goal is to more effectively communicate with our members using the newsletter to highlight all of the benefits and programs available as part of your LAPRA membership.

The *GUARDIAN* is a quarterly publication for members of the Los Angeles Police Relief Association. All rights reserved. Members with specific concerns are urged to contact the appropriate Board member at the number listed below.

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