

COMMUNITIES IN CRISIS

More than half of Illinois cities get “F” grades for local pensions

Addison

2019 Grade: F

In 2003, Addison’s police, fire and municipal pension funds already faced a shortfall of **\$22.4 million**. That meant every Addison household, on average, was on the hook for **\$1,927** in future taxes just to eliminate that shortfall.

Addison began contributing more money – taxpayer dollars – to pensions in an attempt to make the plans healthier. Over the next 16 years, city contributions increasingly crowded out spending for public safety, roads and other core services.

	2003	2019	Change
City (taxpayer) contributions to pensions	\$1.68 million	\$8.34 million	Up 5.0X
Share of city general budget for pensions	10.5%	22.8%	Up 2.2X

Despite the ramp-up in city payments over those 16 years, Addison’s pension debts didn’t decrease. Instead, they jumped by 4.0 times!

By 2019, the shortfall in Addison’s police, fire and municipal pension funds totaled **\$90.4 million**. That means each Addison household, on average, is now on the hook for **\$7,196** in debt.

Everyone loses under Addison’s pension crisis:



Taxpayers are tapped out

Addison residents are paying more and more into a broken system. City taxpayers in 2019 contributed 5.0 times more to pensions than in 2003, yet city debts are 4.0 times larger.



Pension costs are devouring the city’s budget

Addison pension contributions have grown to consume 22.8% of the city’s budget, up from 10.5% in 2003. That’s crowded out spending on public safety, roads and other core services.



Addison worker retirement security is collapsing

The health of Addison’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 75.1% of the money they needed. By 2019, that had dropped to just 62.0%.



Addison’s crisis will only get worse

Addison has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.95 active workers for every pensioner. By 2019, there were 1.02 active workers per pensioner.

2019 GRADE

F

2003 GRADE

C

Addison receives an "F" grade for its local pension crisis

Local officials handcuffed by state pension mandates.

Wirepoints quantified the negative impact of local pensions by examining the finances of Illinois' 175 largest cities from 2003 to 2019. The analysis was based on ten equally-weighted metrics. Cities were given an A through F grade based on a 100-point scale (10 points per metric).*

Addison received an "F" grade in 2019. The city's total score dropped from 73 in 2003 to 55 in 2019, a decline of 18 points.

Addison was one of 102 cities to receive an "F" grade in 2019.

175 Cities – Summary Scores			
Grade	Score	Number of cities	
		2003	2019
A	≥90	4	0
B	80-89	35	1
C	70-79	81	8
D	60-69	48	64
F	≤59	7	102

Addison Key Facts		
City demographics	2000	2019
Population	35,914	36,896
Households	11,623	12,567
Median household income	\$54,090	\$67,337
City budget	2003	2019
General revenues	\$16,025,099	\$36,643,777
Total revenues	\$36,831,026	\$72,804,421
Total property taxes	\$7,975,367	\$9,164,591
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$89,974,955	\$237,723,540
Total pension assets	\$67,578,930	\$147,286,802
Funded ratio	75.1%	62.0%
Total pension shortfall	\$22,396,025	\$90,436,738
Per household	\$1,927	\$7,196
Active public safety workers	111	115
Public safety pension beneficiaries	57	113
City pension contributions	2003	2019
City contributions	\$1,677,387	\$8,343,780
Per household	\$144	\$664
Percentage of city's general budget	10.5%	22.8%
Employees' contributions	\$1,046,442	\$1,972,271

Addison Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	63.6%	56.3%	6	5
2. Firefighter pension funded ratio	72.3%	57.4%	7	5
3. Municipal (IMRF) pension funded ratio	94.3%	77.3%	9	7
4. City pension debts per household as a percentage of median household income	3.6%	10.7%	8	5
5. City contributions per household as a percentage of median household income	0.27%	0.99%	8	6
6. City contributions as a percentage of total budget	4.6%	11.5%	7	1
7. Ratio of city contributions to employee contributions	1.60	4.23	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-42.3%	8.2%	1	10
9. Asset-to-payout ratio (Police & Fire only)	25.6	13.3	10	7
10. Worker-to-beneficiary ratio (Police & Fire only)	1.95	1.02	9	5
Total score			73	55
Grade			C	F

*Wirepoints analyzed 175 of Illinois' largest cities, excluding Chicago, that have a local police, firefighter and municipal (IMRF) pension fund.

Communities in crisis: More than half of Illinois cities get "F" grades for local pensions

