

COMMUNITIES IN CRISIS

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

Mt Carmel

2019 Grade: D

In 2003, Mt Carmel’s police, fire and municipal pension funds already faced a shortfall of **\$0.9 million**. That meant every Mt Carmel household, on average, was on the hook for **\$267** in future taxes just to eliminate that shortfall.

Mt Carmel 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	\$0.15 million	\$0.57 million	Up 3.8X
Share of city general budget for pensions	6.2%	19.4%	Up 3.1X

Despite the ramp-up in city payments over those 16 years, Mt Carmel’s pension debts didn’t decrease. Instead, they jumped by 6.9 times!

By 2019, the shortfall in Mt Carmel’s police, fire and municipal pension funds totaled **\$6.1 million**. That means each Mt Carmel household, on average, is now on the hook for **\$1,963** in debt.

Everyone loses under Mt Carmel’s pension crisis:



Taxpayers are tapped out

Mt Carmel residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.8 times more to pensions than in 2003, yet city debts are 6.9 times larger.



Pension costs are devouring the city’s budget

Mt Carmel pension contributions have grown to consume 19.4% of the city’s budget, up from 6.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



Mt Carmel worker retirement security is collapsing

The health of Mt Carmel’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 89.6% of the money they needed. By 2019, that had dropped to just 63.7%.



Mt Carmel’s crisis will only get worse

Mt Carmel has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.33 active workers for every pensioner. By 2019, there were 0.88 active workers per pensioner.

2019 GRADE

D

2003 GRADE

B

Mt Carmel receives a "D" 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).*

Mt Carmel received a "D" grade in 2019. The city's total score dropped from 84 in 2003 to 62 in 2019, a decline of 22 points.

Mt Carmel was one of 64 cities to receive a "D" 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

Mt Carmel Key Facts		
City demographics	2000	2019
Population	7,982	7,019
Households	3,305	3,091
Median household income	\$31,715	\$43,656
City budget	2003	2019
General revenues	\$2,333,115	\$2,923,934
Total revenues	\$6,102,762	\$8,777,957
Total property taxes	\$1,021,801	\$1,630,899
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$8,462,646	\$16,728,601
Total pension assets	\$7,578,837	\$10,660,720
Funded ratio	89.6%	63.7%
Total pension shortfall	\$883,811	\$6,067,881
Per household	\$267	\$1,963
Active public safety workers	16	15
Public safety pension beneficiaries	12	17
City pension contributions	2003	2019
City contributions	\$145,700	\$565,936
Per household	\$44	\$183
Percentage of city's general budget	6.2%	19.4%
Employees' contributions	\$111,444	\$150,053

Mt Carmel Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	73.7%	47.5%	7	4
2. Firefighter pension funded ratio	110.5%	65.4%	10	6
3. Municipal (IMRF) pension funded ratio	99.8%	84.7%	9	8
4. City pension debts per household as a percentage of median household income	0.8%	4.5%	10	8
5. City contributions per household as a percentage of median household income	0.14%	0.42%	9	8
6. City contributions as a percentage of total budget	2.4%	6.4%	9	5
7. Ratio of city contributions to employee contributions	1.31	3.77	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-12.5%	-6.4%	7	8
9. Asset-to-payout ratio (Police & Fire only)	19.1	11.2	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.33	0.88	6	4
Total score			84	62
Grade			B	D

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

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