

COMMUNITIES IN CRISIS

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

Mt Vernon

2019 Grade: D

In 2003, Mt Vernon’s police, fire and municipal pension funds already faced a shortfall of **\$9.1 million**. That meant every Mt Vernon household, on average, was on the hook for **\$1,302** in future taxes just to eliminate that shortfall.

Mt Vernon 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	\$0.82 million	\$2.27 million	Up 2.8X
Share of city general budget for pensions	6.8%	14.7%	Up 2.1X

Despite the ramp-up in city payments over those 16 years, Mt Vernon’s pension debts didn’t decrease. Instead, they jumped by 2.9 times!

By 2019, the shortfall in Mt Vernon’s police, fire and municipal pension funds totaled **\$26.8 million**. That means each Mt Vernon household, on average, is now on the hook for **\$4,152** in debt.

Everyone loses under Mt Vernon’s pension crisis:



Taxpayers are tapped out

Mt Vernon residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.8 times more to pensions than in 2003, yet city debts are 2.9 times larger.



Pension costs are devouring the city’s budget

Mt Vernon pension contributions have grown to consume 14.7% of the city’s budget, up from 6.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Mt Vernon worker retirement security is collapsing

The health of Mt Vernon’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 76.6% of the money they needed. By 2019, that had dropped to just 61.9%.



Mt Vernon’s crisis will only get worse

Mt Vernon has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.36 active workers for every pensioner. By 2019, there were 0.90 active workers per pensioner.

2019 GRADE



2003 GRADE



Mt Vernon 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 Vernon received a "D" grade in 2019. The city's total score dropped from 75 in 2003 to 60 in 2019, a decline of 15 points.

Mt Vernon was one of 64 cities to receive a "D" grade in 2019.

Mt Vernon Key Facts		
City demographics	2000	2019
Population	16,269	14,742
Households	7,027	6,465
Median household income	\$28,145	\$40,625
City budget	2003	2019
General revenues	\$11,958,960	\$15,486,900
Total revenues	\$21,609,414	\$40,389,407
Total property taxes	\$1,706,242	\$3,985,517
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$39,075,413	\$70,521,307
Total pension assets	\$29,927,183	\$43,677,243
Funded ratio	76.6%	61.9%
Total pension shortfall	\$9,148,231	\$26,844,064
Per household	\$1,302	\$4,152
Active public safety workers	76	66
Public safety pension beneficiaries	56	73
City pension contributions	2003	2019
City contributions	\$819,125	\$2,269,604
Per household	\$117	\$351
Percentage of city's general budget	6.8%	14.7%
Employees' contributions	\$450,148	\$588,023

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 Vernon Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	60.8%	63.4%	6	6
2. Firefighter pension funded ratio	71.2%	58.0%	7	5
3. Municipal (IMRF) pension funded ratio	103.9%	69.0%	10	6
4. City pension debts per household as a percentage of median household income	4.6%	10.2%	8	5
5. City contributions per household as a percentage of median household income	0.41%	0.86%	8	6
6. City contributions as a percentage of total budget	3.8%	5.6%	8	6
7. Ratio of city contributions to employee contributions	1.82	3.86	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-13.4%	1.6%	7	10
9. Asset-to-payout ratio (Police & Fire only)	14.5	12.4	7	7
10. Worker-to-beneficiary ratio (Police & Fire only)	1.36	0.90	6	4
Total score			75	60
Grade			C	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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