

COMMUNITIES IN CRISIS

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

Normal

2019 Grade: F

In 2003, Normal’s police, fire and municipal pension funds already faced a shortfall of **\$20.9 million**. That meant every Normal household, on average, was on the hook for **\$1,376** in future taxes just to eliminate that shortfall.

Normal 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	\$1.78 million	\$6.36 million	Up 3.6X
Share of city general budget for pensions	6.0%	9.5%	Up 1.6X

Despite the ramp-up in city payments over those 16 years, Normal’s pension debts didn’t decrease. Instead, they jumped by 4.2 times!

By 2019, the shortfall in Normal’s police, fire and municipal pension funds totaled **\$87.0 million**. That means each Normal household, on average, is now on the hook for **\$4,491** in debt.

Everyone loses under Normal’s pension crisis:



Taxpayers are tapped out

Normal residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.6 times more to pensions than in 2003, yet city debts are 4.2 times larger.



Pension costs are devouring the city’s budget

Normal pension contributions have grown to consume 9.5% of the city’s budget, up from 6.0% in 2003. That’s crowded out spending on public safety, roads and other core services.



Normal worker retirement security is collapsing

The health of Normal’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 71.4% of the money they needed. By 2019, that had dropped to just 55.4%.



Normal’s crisis will only get worse

Normal has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.91 active workers for every pensioner. By 2019, there were 1.43 active workers per pensioner.

2019 GRADE

F

2003 GRADE

C

Normal 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).*

Normal received an "F" grade in 2019. The city's total score dropped from 76 in 2003 to 58 in 2019, a decline of 18 points.

Normal 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

Normal Key Facts		
City demographics	2000	2019
Population	45,386	54,891
Households	15,207	19,368
Median household income	\$40,379	\$58,111
City budget	2003	2019
General revenues	\$29,673,020	\$67,131,393
Total revenues	\$45,880,123	\$108,468,015
Total property taxes	\$5,686,901	\$15,902,188
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$73,268,391	\$195,176,802
Total pension assets	\$52,338,219	\$108,194,940
Funded ratio	71.4%	55.4%
Total pension shortfall	\$20,930,173	\$86,981,862
Per household	\$1,376	\$4,491
Active public safety workers	128	144
Public safety pension beneficiaries	44	101
City pension contributions	2003	2019
City contributions	\$1,778,971	\$6,358,850
Per household	\$117	\$328
Percentage of city's general budget	6.0%	9.5%
Employees' contributions	\$970,469	\$1,970,364

Normal Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	61.4%	48.8%	6	4
2. Firefighter pension funded ratio	61.7%	53.4%	6	5
3. Municipal (IMRF) pension funded ratio	89.6%	68.6%	8	6
4. City pension debts per household as a percentage of median household income	3.4%	7.7%	8	7
5. City contributions per household as a percentage of median household income	0.29%	0.56%	8	7
6. City contributions as a percentage of total budget	3.9%	5.9%	8	6
7. Ratio of city contributions to employee contributions	1.83	3.23	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-22.6%	-25.4%	5	4
9. Asset-to-payout ratio (Police & Fire only)	20.1	13.6	9	7
10. Worker-to-beneficiary ratio (Police & Fire only)	2.91	1.43	10	7

Total score	76	58
Grade	C	F

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

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