

COMMUNITIES IN CRISIS

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

Oak Brook

2019 Grade: F

In 2003, Oak Brook’s police, fire and municipal pension funds already faced a shortfall of **\$12.0 million**. That meant every Oak Brook household, on average, was on the hook for **\$4,012** in future taxes just to eliminate that shortfall.

Oak Brook 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	\$1.36 million	\$4.75 million	Up 3.5X
Share of city general budget for pensions	8.3%	17.8%	Up 2.1X

Despite the ramp-up in city payments over those 16 years, Oak Brook’s pension debts didn’t decrease. Instead, they jumped by 4.7 times!

By 2019, the shortfall in Oak Brook’s police, fire and municipal pension funds totaled **\$56.0 million**. That means each Oak Brook household, on average, is now on the hook for **\$18,418** in debt.

Everyone loses under Oak Brook’s pension crisis:



Taxpayers are tapped out

Oak Brook residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.5 times more to pensions than in 2003, yet city debts are 4.7 times larger.



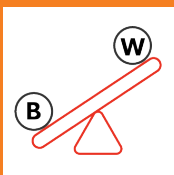
Pension costs are devouring the city’s budget

Oak Brook pension contributions have grown to consume 17.8% of the city’s budget, up from 8.3% in 2003. That’s crowded out spending on public safety, roads and other core services.



Oak Brook worker retirement security is collapsing

The health of Oak Brook’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 81.1% of the money they needed. By 2019, that had dropped to just 60.5%.



Oak Brook’s crisis will only get worse

Oak Brook 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 0.76 active workers per pensioner.

2019 GRADE



2003 GRADE



Oak Brook 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).*

Oak Brook received an "F" grade in 2019. The city's total score dropped from 75 in 2003 to 54 in 2019, a decline of 21 points.

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

Oak Brook Key Facts		
City demographics	2000	2019
Population	8,702	8,075
Households	2,993	3,039
Median household income	\$146,537	\$141,055
City budget	2003	2019
General revenues	\$16,395,007	\$26,706,760
Total revenues	\$34,734,464	\$69,716,905
Total property taxes	\$49,682	\$412,066
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$63,570,194	\$141,641,357
Total pension assets	\$51,563,334	\$85,670,544
Funded ratio	81.1%	60.5%
Total pension shortfall	\$12,006,860	\$55,970,813
Per household	\$4,012	\$18,418
Active public safety workers	75	71
Public safety pension beneficiaries	55	93
City pension contributions	2003	2019
City contributions	\$1,360,289	\$4,752,369
Per household	\$454	\$1,564
Percentage of city's general budget	8.3%	17.8%
Employees' contributions	\$707,472	\$927,493

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

Oak Brook Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	81.9%	61.3%	8	6
2. Firefighter pension funded ratio	74.7%	51.9%	7	5
3. Municipal (IMRF) pension funded ratio	92.2%	82.0%	9	8
4. City pension debts per household as a percentage of median household income	2.7%	13.1%	8	3
5. City contributions per household as a percentage of median household income	0.31%	1.11%	8	5
6. City contributions as a percentage of total budget	3.9%	6.8%	8	5
7. Ratio of city contributions to employee contributions	1.92	5.12	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-28.1%	1.9%	4	10
9. Asset-to-payout ratio (Police & Fire only)	22.1	11.9	9	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.36	0.76	6	3
Total score			75	54
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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