

# COMMUNITIES IN CRISIS

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

**Paris**

**2019 Grade: D**

In 2003, Paris’s police, fire and municipal pension funds already faced a shortfall of **\$2.4 million**. That meant every Paris household, on average, was on the hook for **\$638** in future taxes just to eliminate that shortfall.

*Paris 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	\$0.29 million	\$1.25 million	Up 4.3X
Share of city general budget for pensions	8.2%	26.6%	Up 3.2X

*Despite the ramp-up in city payments over those 16 years, Paris’s pension debts didn’t decrease. Instead, they jumped by 3.7 times!*

By 2019, the shortfall in Paris’s police, fire and municipal pension funds totaled **\$9.0 million**. That means each Paris household, on average, is now on the hook for **\$2,431** in debt.

## Everyone loses under Paris’s pension crisis:



### Taxpayers are tapped out

Paris residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.3 times more to pensions than in 2003, yet city debts are 3.7 times larger.



### Pension costs are devouring the city’s budget

Paris pension contributions have grown to consume 26.6% of the city’s budget, up from 8.2% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Paris worker retirement security is collapsing

The health of Paris’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 82.9% of the money they needed. By 2019, that had dropped to just 67.4%.



### Paris’s crisis will only get worse

A healthy pension fund usually has far more active workers paying contributions into the fund than retirees drawing benefits. Paris is headed for trouble since it has only a few more active workers than retirees.

2019 GRADE

**D**

2003 GRADE

**C**

# Paris 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).\*

Paris received a "D" grade in 2019. The city's total score dropped from 72 in 2003 to 62 in 2019, a decline of 10 points.

Paris 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

Paris Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	9,077	8,372
Households	3,831	3,709
Median household income	\$30,902	\$44,209
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$3,516,738	\$4,685,083
Total revenues	\$8,762,767	\$13,362,721
Total property taxes	\$1,151,979	\$2,738,702
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$14,299,122	\$27,656,693
Total pension assets	\$11,853,710	\$18,640,238
Funded ratio	82.9%	67.4%
Total pension shortfall	\$2,445,411	\$9,016,455
Per household	\$638	\$2,431
Active public safety workers	31	30
Public safety pension beneficiaries	28	25
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$289,873	\$1,247,593
Per household	\$76	\$336
Percentage of city's general budget	8.2%	26.6%
Employees' contributions	\$165,342	\$244,298

Paris Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	71.8%	74.7%	7	7
2. Firefighter pension funded ratio	77.8%	57.0%	7	5
3. Municipal (IMRF) pension funded ratio	99.3%	77.5%	9	7
4. City pension debts per household as a percentage of median household income	2.1%	5.5%	8	7
5. City contributions per household as a percentage of median household income	0.24%	0.76%	8	7
6. City contributions as a percentage of total budget	3.3%	9.3%	8	2
7. Ratio of city contributions to employee contributions	1.75	5.11	8	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-29.2%	31.9%	4	10
9. Asset-to-payout ratio (Police & Fire only)	16.6	16.1	8	8
10. Worker-to-beneficiary ratio (Police & Fire only)	1.11	1.20	5	6
<b>Total score</b>			<b>72</b>	<b>62</b>
<b>Grade</b>			<b>C</b>	<b>D</b>

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

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