

# COMMUNITIES IN CRISIS

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

**Park Ridge**

**2019 Grade: D**

In 2003, Park Ridge’s police, fire and municipal pension funds already faced a shortfall of **\$20.7 million**. That meant every Park Ridge household, on average, was on the hook for **\$1,451** in future taxes just to eliminate that shortfall.

*Park Ridge 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	\$1.08 million	\$5.21 million	Up 4.8X
Share of city general budget for pensions	5.4%	16.1%	Up 3.0X

*Despite the ramp-up in city payments over those 16 years, Park Ridge’s pension debts didn’t decrease. Instead, they jumped by 2.7 times!*

By 2019, the shortfall in Park Ridge’s police, fire and municipal pension funds totaled **\$55.5 million**. That means each Park Ridge household, on average, is now on the hook for **\$3,910** in debt.

## Everyone loses under Park Ridge’s pension crisis:



### Taxpayers are tapped out

Park Ridge residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.8 times more to pensions than in 2003, yet city debts are 2.7 times larger.



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

Park Ridge pension contributions have grown to consume 16.1% of the city’s budget, up from 5.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Park Ridge worker retirement security is collapsing

The health of Park Ridge’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 77.1% of the money they needed. By 2019, that had dropped to just 69.1%.



### Park Ridge’s crisis will only get worse

Park Ridge has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.23 active workers for every pensioner. By 2019, there were 0.98 active workers per pensioner.

2019 GRADE



2003 GRADE



# Park Ridge 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).\*

Park Ridge received a "D" grade in 2019. The city's total score dropped from 72 in 2003 to 69 in 2019, a decline of 3 points.

Park Ridge 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

Park Ridge Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	37,775	37,457
Households	14,287	14,197
Median household income	\$73,154	\$111,642
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$20,072,152	\$32,397,111
Total revenues	\$43,733,459	\$76,916,949
Total property taxes	\$11,768,938	\$18,185,232
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$90,469,109	\$179,932,555
Total pension assets	\$69,744,015	\$124,418,833
Funded ratio	77.1%	69.1%
Total pension shortfall	\$20,725,095	\$55,513,722
Per household	\$1,451	\$3,910
Active public safety workers	107	104
Public safety pension beneficiaries	87	106
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$1,080,262	\$5,212,905
Per household	\$76	\$367
Percentage of city's general budget	5.4%	16.1%
Employees' contributions	\$961,271	\$1,512,963

Park Ridge Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	64.3%	62.5%	6	6
2. Firefighter pension funded ratio	78.9%	68.6%	7	6
3. Municipal (IMRF) pension funded ratio	96.9%	90.8%	9	9
4. City pension debts per household as a percentage of median household income	2.0%	3.5%	8	8
5. City contributions per household as a percentage of median household income	0.10%	0.33%	9	8
6. City contributions as a percentage of total budget	2.5%	6.8%	9	5
7. Ratio of city contributions to employee contributions	1.12	3.45	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-70.2%	1.2%	1	10
9. Asset-to-payout ratio (Police & Fire only)	16.3	15.0	8	8
10. Worker-to-beneficiary ratio (Police & Fire only)	1.23	0.98	6	4
<b>Total score</b>			<b>72</b>	<b>69</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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