

# COMMUNITIES IN CRISIS

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

**Riverdale**

**2019 Grade: F**

In 2003, Riverdale’s police, fire and municipal pension funds already faced a shortfall of **\$6.3 million**. That meant every Riverdale household, on average, was on the hook for **\$1,273** in future taxes just to eliminate that shortfall.

*Riverdale 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	\$0.53 million	\$1.00 million	Up 1.9X
Share of city general budget for pensions	9.8%	7.5%	Down 2.3%

*Despite the ramp-up in city payments over those 16 years, Riverdale’s pension debts didn’t decrease. Instead, they jumped by 6.4 times!*

By 2019, the shortfall in Riverdale’s police, fire and municipal pension funds totaled **\$40.4 million**. That means each Riverdale household, on average, is now on the hook for **\$8,304** in debt.

## Everyone loses under Riverdale’s pension crisis:



### Taxpayers are tapped out

Riverdale residents are paying more and more into a broken system. City taxpayers in 2019 contributed 1.9 times more to pensions than in 2003, yet city debts are 6.4 times larger.



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

Riverdale pension contributions consume 7.5% of the city’s budget, down from 9.8% in 2003. That’s still crowding out spending on public safety, roads and other core services.



### Riverdale worker retirement security is collapsing

The health of Riverdale’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 72.2% of the money they needed. By 2019, that had dropped to just 37.7%.



### Riverdale’s crisis will only get worse

Riverdale has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.38 active workers for every pensioner. By 2019, there were 0.96 active workers per pensioner.

2019 GRADE

**F**

2003 GRADE

**C**

# Riverdale 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).\*

Riverdale received an "F" grade in 2019. The city's total score dropped from 72 in 2003 to 46 in 2019, a decline of 26 points.

Riverdale 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

Riverdale Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	15,055	12,793
Households	4,984	4,868
Median household income	\$38,321	\$35,711
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$5,423,187	\$13,318,438
Total revenues	\$11,885,844	\$22,175,702
Total property taxes	\$2,912,465	\$6,230,672
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$22,800,076	\$64,840,832
Total pension assets	\$16,455,186	\$24,418,366
Funded ratio	72.2%	37.7%
Total pension shortfall	\$6,344,890	\$40,422,466
Per household	\$1,273	\$8,304
Active public safety workers	40	47
Public safety pension beneficiaries	29	49
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$529,222	\$998,101
Per household	\$106	\$205
Percentage of city's general budget	9.8%	7.5%
Employees' contributions	\$280,645	\$443,204

## Riverdale Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	65.2%	28.6%	6	2
2. Firefighter pension funded ratio	100.0%	42.2%	9	4
3. Municipal (IMRF) pension funded ratio	76.6%	97.0%	7	9
4. City pension debts per household as a percentage of median household income	3.3%	23.3%	8	1
5. City contributions per household as a percentage of median household income	0.28%	0.57%	8	7
6. City contributions as a percentage of total budget	4.5%	4.5%	7	7
7. Ratio of city contributions to employee contributions	1.89	2.25	8	7
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-29.3%	-68.9%	4	1
9. Asset-to-payout ratio (Police & Fire only)	20.5	7.5	9	4
10. Worker-to-beneficiary ratio (Police & Fire only)	1.38	0.96	6	4
<b>Total score</b>			<b>72</b>	<b>46</b>
<b>Grade</b>			<b>C</b>	<b>F</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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