

COMMUNITIES IN CRISIS

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

Rock Falls

2019 Grade: D

In 2003, Rock Falls’s police, fire and municipal pension funds already faced a shortfall of **\$1.6 million**. That meant every Rock Falls household, on average, was on the hook for **\$404** in future taxes just to eliminate that shortfall.

Rock Falls 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	\$0.27 million	\$1.13 million	Up 4.2X
Share of city general budget for pensions	8.6%	17.0%	Up 2.0X

Despite the ramp-up in city payments over those 16 years, Rock Falls’s pension debts didn’t decrease. Instead, they jumped by 8.5 times!

By 2019, the shortfall in Rock Falls’s police, fire and municipal pension funds totaled **\$13.5 million**. That means each Rock Falls household, on average, is now on the hook for **\$3,621** in debt.

Everyone loses under Rock Falls’s pension crisis:



Taxpayers are tapped out

Rock Falls residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.2 times more to pensions than in 2003, yet city debts are 8.5 times larger.



Pension costs are devouring the city’s budget

Rock Falls pension contributions have grown to consume 17.0% of the city’s budget, up from 8.6% in 2003. That’s crowded out spending on public safety, roads and other core services.



Rock Falls worker retirement security is collapsing

The health of Rock Falls’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 90.3% of the money they needed. By 2019, that had dropped to just 63.2%.



Rock Falls’s crisis will only get worse

Rock Falls has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.80 active workers for every pensioner. By 2019, there were 0.95 active workers per pensioner.

2019 GRADE



2003 GRADE



Rock Falls 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).*

Rock Falls received a “D” grade in 2019. The city’s total score dropped from 82 in 2003 to 65 in 2019, a decline of 17 points.

Rock Falls was one of 64 cities to receive a “D” grade in 2019.

Rock Falls Key Facts		
City demographics	2000	2019
Population	9,580	8,952
Households	3,923	3,728
Median household income	\$34,442	\$49,191
City budget	2003	2019
General revenues	\$3,139,167	\$6,645,418
Total revenues	\$15,823,437	\$28,726,633
Total property taxes	\$554,751	\$1,989,905
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$16,317,166	\$36,689,069
Total pension assets	\$14,731,158	\$23,188,361
Funded ratio	90.3%	63.2%
Total pension shortfall	\$1,586,007	\$13,500,708
Per household	\$404	\$3,621
Active public safety workers	36	36
Public safety pension beneficiaries	20	38
City pension contributions	2003	2019
City contributions	\$270,895	\$1,128,593
Per household	\$69	\$303
Percentage of city’s general budget	8.6%	17.0%
Employees’ contributions	\$215,526	\$323,458

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

Rock Falls Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	74.5%	47.7%	7	4
2. Firefighter pension funded ratio	90.7%	64.0%	9	6
3. Municipal (IMRF) pension funded ratio	111.4%	90.2%	10	9
4. City pension debts per household as a percentage of median household income	1.2%	7.4%	9	7
5. City contributions per household as a percentage of median household income	0.20%	0.62%	8	7
6. City contributions as a percentage of total budget	1.7%	3.9%	10	8
7. Ratio of city contributions to employee contributions	1.26	3.49	9	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-42.8%	-2.7%	1	9
9. Asset-to-payout ratio (Police & Fire only)	27.6	11.9	10	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.80	0.95	9	4
Total score			82	65
Grade			B	D

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

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