

# COMMUNITIES IN CRISIS

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

**Savanna**

**2019 Grade: F**

In 2003, Savanna’s police, fire and municipal pension funds already faced a shortfall of **\$0.6 million**. That meant every Savanna household, on average, was on the hook for **\$360** in future taxes just to eliminate that shortfall.

*Savanna 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	\$0.12 million	\$0.34 million	Up 2.8X
Share of city general budget for pensions	12.8%	26.2%	Up 2.1X

*Despite the ramp-up in city payments over those 16 years, Savanna’s pension debts didn’t decrease. Instead, they jumped by 8.7 times!*

**By 2019, the shortfall in Savanna’s police, fire and municipal pension funds totaled \$4.8 million. That means each Savanna household, on average, is now on the hook for \$3,105 in debt.**

## Everyone loses under Savanna’s pension crisis:



### Taxpayers are tapped out

Savanna residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.8 times more to pensions than in 2003, yet city debts are 8.7 times larger.



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

Savanna pension contributions have grown to consume 26.2% of the city’s budget, up from 12.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



### Savanna worker retirement security is collapsing

The health of Savanna’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 89.5% of the money they needed. By 2019, that had dropped to just 48.8%.



### Savanna’s crisis will only get worse

Savanna has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.00 active workers for every pensioner. By 2019, there were 0.58 active workers per pensioner.

2019 GRADE

**F**

2003 GRADE

**C**

# Savanna 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).\*

Savanna received an "F" grade in 2019. The city's total score dropped from 76 in 2003 to 53 in 2019, a decline of 23 points.

Savanna 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

Savanna Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	3,542	2,977
Households	1,550	1,557
Median household income	\$27,180	\$31,710
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$926,501	\$1,305,769
Total revenues	\$2,462,046	\$3,983,958
Total property taxes	\$523,162	\$662,767
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$5,295,201	\$9,448,330
Total pension assets	\$4,737,480	\$4,614,271
Funded ratio	89.5%	48.8%
Total pension shortfall	\$557,721	\$4,834,059
Per household	\$360	\$3,105
Active public safety workers	12	7
Public safety pension beneficiaries	12	12
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$118,437	\$342,202
Per household	\$76	\$220
Percentage of city's general budget	12.8%	26.2%
Employees' contributions	\$51,655	\$64,004

## Savanna Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	58.7%	39.9%	5	3
2. Firefighter pension funded ratio	90.1%	40.8%	9	4
3. Municipal (IMRF) pension funded ratio	152.2%	119.8%	10	10
4. City pension debts per household as a percentage of median household income	1.3%	9.8%	9	6
5. City contributions per household as a percentage of median household income	0.28%	0.69%	8	7
6. City contributions as a percentage of total budget	4.8%	8.6%	7	3
7. Ratio of city contributions to employee contributions	2.29	5.35	7	3
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	8.8%	-3.8%	10	9
9. Asset-to-payout ratio (Police & Fire only)	11.9	10.0	6	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.00	0.58	5	2

<b>Total score</b>	76	53
<b>Grade</b>	C	F

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

Communities in crisis: More than half of Illinois cities get "F" grades for local pensions

