

# COMMUNITIES IN CRISIS

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

**St Charles**

**2019 Grade: D**

In 2003, St Charles’s police, fire and municipal pension funds already faced a shortfall of **\$14.2 million**. That meant every St Charles household, on average, was on the hook for **\$1,377** in future taxes just to eliminate that shortfall.

*St Charles 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	\$1.77 million	\$6.21 million	Up 3.5X
Share of city general budget for pensions	5.5%	13.3%	Up 2.4X

*Despite the ramp-up in city payments over those 16 years, St Charles’s pension debts didn’t decrease. Instead, they jumped by 4.7 times!*

By 2019, the shortfall in St Charles’s police, fire and municipal pension funds totaled **\$66.2 million**. That means each St Charles household, on average, is now on the hook for **\$5,237** in debt.

## Everyone loses under St Charles’s pension crisis:



### Taxpayers are tapped out

St Charles residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.5 times more to pensions than in 2003, yet city debts are 4.7 times larger.



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

St Charles pension contributions have grown to consume 13.3% of the city’s budget, up from 5.5% in 2003. That’s crowded out spending on public safety, roads and other core services.



### St Charles worker retirement security is collapsing

The health of St Charles’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 78.1% of the money they needed. By 2019, that had dropped to just 63.3%.



### St Charles’s crisis will only get worse

St Charles has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.58 active workers for every pensioner. By 2019, there were 1.25 active workers per pensioner.

2019 GRADE

**D**

2003 GRADE

**B**

# St Charles 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).\*

St Charles received a "D" grade in 2019. The city's total score dropped from 80 in 2003 to 68 in 2019, a decline of 12 points.

St Charles was one of 64 cities to receive a "D" grade in 2019.

St Charles Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	27,896	32,686
Households	10,337	12,642
Median household income	\$69,424	\$98,393
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$31,923,955	\$46,712,326
Total revenues	\$92,653,747	\$155,350,898
Total property taxes	\$7,635,735	\$14,848,305
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$64,944,967	\$180,417,658
Total pension assets	\$50,710,085	\$114,216,113
Funded ratio	78.1%	63.3%
Total pension shortfall	\$14,234,883	\$66,201,545
Per household	\$1,377	\$5,237
Active public safety workers	85	99
Public safety pension beneficiaries	33	79
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$1,768,646	\$6,207,409
Per household	\$171	\$491
Percentage of city's general budget	5.5%	13.3%
Employees' contributions	\$1,023,835	\$2,099,780

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

St Charles Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	58.1%	50.5%	5	5
2. Firefighter pension funded ratio	87.7%	69.7%	8	6
3. Municipal (IMRF) pension funded ratio	94.1%	75.3%	9	7
4. City pension debts per household as a percentage of median household income	2.0%	5.3%	8	7
5. City contributions per household as a percentage of median household income	0.25%	0.50%	8	7
6. City contributions as a percentage of total budget	1.9%	4.0%	10	7
7. Ratio of city contributions to employee contributions	1.73	2.96	8	6
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-20.3%	-0.8%	5	9
9. Asset-to-payout ratio (Police & Fire only)	22.1	15.9	9	8
10. Worker-to-beneficiary ratio (Police & Fire only)	2.58	1.25	10	6
<b>Total score</b>			<b>80</b>	<b>68</b>
<b>Grade</b>			<b>B</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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