

COMMUNITIES IN CRISIS

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

Urbana

2019 Grade: D

In 2003, Urbana’s police, fire and municipal pension funds already faced a shortfall of **\$14.1 million**. That meant every Urbana household, on average, was on the hook for **\$988** in future taxes just to eliminate that shortfall.

Urbana 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	\$1.93 million	\$2.79 million	Up 1.4X
Share of city general budget for pensions	10.6%	8.6%	Down 2.0%

Despite the ramp-up in city payments over those 16 years, Urbana’s pension debts didn’t decrease. Instead, they jumped by 2.9 times!

By 2019, the shortfall in Urbana’s police, fire and municipal pension funds totaled **\$41.5 million**. That means each Urbana household, on average, is now on the hook for **\$2,478** in debt.

Everyone loses under Urbana’s pension crisis:



Taxpayers are tapped out

Urbana residents are paying more and more into a broken system. City taxpayers in 2019 contributed 1.4 times more to pensions than in 2003, yet city debts are 2.9 times larger.



Pension costs are devouring the city’s budget

Urbana pension contributions consume 8.6% of the city’s budget, down from 10.6% in 2003. That’s still crowding out spending on public safety, roads and other core services.



Urbana worker retirement security is collapsing

The health of Urbana’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 78.5% of the money they needed. By 2019, that had dropped to just 72.7%.



Urbana’s crisis will only get worse

Urbana has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.07 active workers for every pensioner. By 2019, there were 0.99 active workers per pensioner.

2019 GRADE

D

2003 GRADE

C

Urbana 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).*

Urbana received a "D" grade in 2019. The city's total score dropped from 73 in 2003 to 64 in 2019, a decline of 9 points.

Urbana 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

Urbana Key Facts		
City demographics	2000	2019
Population	36,395	42,718
Households	14,247	16,742
Median household income	\$27,819	\$37,102
City budget	2003	2019
General revenues	\$18,180,412	\$32,305,708
Total revenues	\$35,808,656	\$59,858,241
Total property taxes	\$6,673,611	\$9,797,799
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$65,543,029	\$151,990,236
Total pension assets	\$51,464,065	\$110,511,527
Funded ratio	78.5%	72.7%
Total pension shortfall	\$14,078,964	\$41,478,709
Per household	\$988	\$2,478
Active public safety workers	95	116
Public safety pension beneficiaries	89	117
City pension contributions	2003	2019
City contributions	\$1,931,747	\$2,787,579
Per household	\$136	\$167
Percentage of city's general budget	10.6%	8.6%
Employees' contributions	\$752,127	\$1,481,015

Urbana Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	63.5%	63.0%	6	6
2. Firefighter pension funded ratio	78.5%	81.6%	7	8
3. Municipal (IMRF) pension funded ratio	96.4%	75.7%	9	7
4. City pension debts per household as a percentage of median household income	3.6%	6.7%	8	7
5. City contributions per household as a percentage of median household income	0.49%	0.45%	8	8
6. City contributions as a percentage of total budget	5.4%	4.7%	6	7
7. Ratio of city contributions to employee contributions	2.57	1.88	6	8
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	35.3%	-42.1%	10	1
9. Asset-to-payout ratio (Police & Fire only)	15.0	16.5	8	8
10. Worker-to-beneficiary ratio (Police & Fire only)	1.07	0.99	5	4
Total score			73	64
Grade			C	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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