

COMMUNITIES IN CRISIS

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

Villa Park

2019 Grade: F

In 2003, Villa Park’s police, fire and municipal pension funds already faced a shortfall of **\$9.4 million**. That meant every Villa Park household, on average, was on the hook for **\$1,198** in future taxes just to eliminate that shortfall.

Villa Park 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	\$1.07 million	\$3.87 million	Up 3.6X
Share of city general budget for pensions	9.1%	17.4%	Up 1.9X

Despite the ramp-up in city payments over those 16 years, Villa Park’s pension debts didn’t decrease. Instead, they jumped by 4.9 times!

By 2019, the shortfall in Villa Park’s police, fire and municipal pension funds totaled **\$46.3 million**. That means each Villa Park household, on average, is now on the hook for **\$5,704** in debt.

Everyone loses under Villa Park’s pension crisis:



Taxpayers are tapped out

Villa Park residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.6 times more to pensions than in 2003, yet city debts are 4.9 times larger.



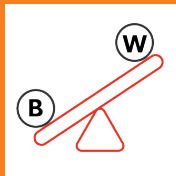
Pension costs are devouring the city’s budget

Villa Park pension contributions have grown to consume 17.4% of the city’s budget, up from 9.1% in 2003. That’s crowded out spending on public safety, roads and other core services.



Villa Park worker retirement security is collapsing

The health of Villa Park’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 80.8% of the money they needed. By 2019, that had dropped to just 58.5%.



Villa Park’s crisis will only get worse

Villa Park has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 2.13 active workers for every pensioner. By 2019, there were 0.96 active workers per pensioner.

2019 GRADE



2003 GRADE



Villa Park 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).*

Villa Park received an "F" grade in 2019. The city's total score dropped from 79 in 2003 to 59 in 2019, a decline of 20 points.

Villa Park 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

Villa Park Key Facts		
City demographics	2000	2019
Population	22,075	21,916
Households	7,829	8,115
Median household income	\$55,706	\$77,739
City budget	2003	2019
General revenues	\$11,756,963	\$22,280,924
Total revenues	\$24,870,815	\$55,130,388
Total property taxes	\$6,171,951	\$8,942,565
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$48,777,911	\$111,570,793
Total pension assets	\$39,398,770	\$65,283,397
Funded ratio	80.8%	58.5%
Total pension shortfall	\$9,379,142	\$46,287,396
Per household	\$1,198	\$5,704
Active public safety workers	64	64
Public safety pension beneficiaries	30	67
City pension contributions	2003	2019
City contributions	\$1,069,710	\$3,870,621
Per household	\$137	\$477
Percentage of city's general budget	9.1%	17.4%
Employees' contributions	\$600,527	\$859,804

Villa Park Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	69.4%	50.7%	6	5
2. Firefighter pension funded ratio	85.8%	61.5%	8	6
3. Municipal (IMRF) pension funded ratio	98.6%	76.9%	9	7
4. City pension debts per household as a percentage of median household income	2.2%	7.3%	8	7
5. City contributions per household as a percentage of median household income	0.25%	0.61%	8	7
6. City contributions as a percentage of total budget	4.3%	7.0%	7	4
7. Ratio of city contributions to employee contributions	1.78	4.50	8	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-23.7%	-2.2%	5	9
9. Asset-to-payout ratio (Police & Fire only)	27.8	11.5	10	6
10. Worker-to-beneficiary ratio (Police & Fire only)	2.13	0.96	10	4
Total score			79	59
Grade			C	F

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

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