

COMMUNITIES IN CRISIS

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

Buffalo Grove

2019 Grade: D

In 2003, Buffalo Grove’s police, fire and municipal pension funds already faced a shortfall of **\$19.0 million**. That meant every Buffalo Grove household, on average, was on the hook for **\$1,219** in future taxes just to eliminate that shortfall.

Buffalo Grove 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	\$2.15 million	\$5.86 million	Up 2.7X
Share of city general budget for pensions	9.4%	12.7%	Up 1.4X

Despite the ramp-up in city payments over those 16 years, Buffalo Grove’s pension debts didn’t decrease. Instead, they jumped by 3.6 times!

By 2019, the shortfall in Buffalo Grove’s police, fire and municipal pension funds totaled **\$68.5 million**. That means each Buffalo Grove household, on average, is now on the hook for **\$4,445** in debt.

Everyone loses under Buffalo Grove’s pension crisis:



Taxpayers are tapped out

Buffalo Grove residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.7 times more to pensions than in 2003, yet city debts are 3.6 times larger.



Pension costs are devouring the city’s budget

Buffalo Grove pension contributions have grown to consume 12.7% of the city’s budget, up from 9.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



Buffalo Grove worker retirement security is collapsing

The health of Buffalo Grove’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 74.1% of the money they needed. By 2019, that had dropped to just 70.6%.



Buffalo Grove’s crisis will only get worse

Buffalo Grove has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 6.55 active workers for every pensioner. By 2019, there were 1.14 active workers per pensioner.

2019 GRADE



2003 GRADE



Buffalo Grove 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).*

Buffalo Grove received a "D" grade in 2019. The city's total score dropped from 81 in 2003 to 69 in 2019, a decline of 12 points.

Buffalo Grove was one of 64 cities to receive a "D" grade in 2019.

Buffalo Grove Key Facts		
City demographics	2000	2019
Population	42,909	41,062
Households	15,565	15,399
Median household income	\$80,525	\$115,951
City budget	2003	2019
General revenues	\$22,924,893	\$46,213,935
Total revenues	\$44,465,732	\$99,146,787
Total property taxes	\$10,160,946	\$16,321,876
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$73,124,474	\$232,779,312
Total pension assets	\$54,156,527	\$164,323,424
Funded ratio	74.1%	70.6%
Total pension shortfall	\$18,967,947	\$68,455,888
Per household	\$1,219	\$4,445
Active public safety workers	131	120
Public safety pension beneficiaries	20	105
City pension contributions	2003	2019
City contributions	\$2,149,748	\$5,860,973
Per household	\$138	\$381
Percentage of city's general budget	9.4%	12.7%
Employees' contributions	\$1,146,194	\$1,703,793

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

Buffalo Grove Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	66.9%	66.8%	6	6
2. Firefighter pension funded ratio	69.1%	72.7%	6	7
3. Municipal (IMRF) pension funded ratio	92.4%	76.9%	9	7
4. City pension debts per household as a percentage of median household income	1.5%	3.8%	9	8
5. City contributions per household as a percentage of median household income	0.17%	0.33%	9	8
6. City contributions as a percentage of total budget	4.8%	5.9%	7	6
7. Ratio of city contributions to employee contributions	1.88	3.44	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-11.9%	-4.6%	7	9
9. Asset-to-payout ratio (Police & Fire only)	48.2	18.0	10	8
10. Worker-to-beneficiary ratio (Police & Fire only)	6.55	1.14	10	5
Total score			81	69
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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