

# COMMUNITIES IN CRISIS

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

## Burbank

## 2019 Grade: D

In 2003, Burbank’s police, fire and municipal pension funds already faced a shortfall of **\$1.3 million**. That meant every Burbank household, on average, was on the hook for **\$138** in future taxes just to eliminate that shortfall.

*Burbank 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	\$0.96 million	\$2.08 million	Up 2.2X
Share of city general budget for pensions	8.0%	9.2%	Up 1.2X

*Despite the ramp-up in city payments over those 16 years, Burbank’s pension debts didn’t decrease. Instead, they jumped by 33.2 times!*

By 2019, the shortfall in Burbank’s police, fire and municipal pension funds totaled **\$42.4 million**. That means each Burbank household, on average, is now on the hook for **\$4,600** in debt.

### Everyone loses under Burbank’s pension crisis:



#### Taxpayers are tapped out

Burbank residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.2 times more to pensions than in 2003, yet city debts are 33.2 times larger.



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

Burbank pension contributions have grown to consume 9.2% of the city’s budget, up from 8.0% in 2003. That’s crowded out spending on public safety, roads and other core services.



#### Burbank worker retirement security is collapsing

The health of Burbank’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 96.2% of the money they needed. By 2019, that had dropped to just 65.1%.



#### Burbank’s crisis will only get worse

Burbank has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 8.78 active workers for every pensioner. By 2019, there were 0.90 active workers per pensioner.

2019 GRADE



2003 GRADE



# Burbank 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).\*

Burbank received a "D" grade in 2019. The city's total score dropped from 90 in 2003 to 63 in 2019, a decline of 27 points.

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

Burbank Key Facts		
<b>City demographics</b>	<b>2000</b>	<b>2019</b>
Population	27,902	28,729
Households	9,273	9,225
Median household income	\$49,388	\$62,573
<b>City budget</b>	<b>2003</b>	<b>2019</b>
General revenues	\$11,918,943	\$22,453,875
Total revenues	\$20,332,416	\$42,767,817
Total property taxes	\$5,718,390	\$7,210,560
<b>Pension health (police, fire &amp; IMRF)</b>	<b>2003</b>	<b>2019</b>
Total accrued liabilities (benefits owed)	\$33,693,367	\$121,422,950
Total pension assets	\$32,413,319	\$78,989,307
Funded ratio	96.2%	65.1%
Total pension shortfall	\$1,280,049	\$42,433,643
Per household	\$138	\$4,600
Active public safety workers	79	71
Public safety pension beneficiaries	9	79
<b>City pension contributions</b>	<b>2003</b>	<b>2019</b>
City contributions	\$956,956	\$2,075,443
Per household	\$103	\$225
Percentage of city's general budget	8.0%	9.2%
Employees' contributions	\$512,778	\$962,750

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

Burbank Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	91.6%	62.0%	9	6
2. Firefighter pension funded ratio	94.5%	63.9%	9	6
3. Municipal (IMRF) pension funded ratio	115.1%	93.6%	10	9
4. City pension debts per household as a percentage of median household income	0.3%	7.4%	10	7
5. City contributions per household as a percentage of median household income	0.21%	0.36%	8	8
6. City contributions as a percentage of total budget	4.7%	4.9%	7	7
7. Ratio of city contributions to employee contributions	1.87	2.16	8	7
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-1.8%	-38.5%	9	2
9. Asset-to-payout ratio (Police & Fire only)	111.7	13.5	10	7
10. Worker-to-beneficiary ratio (Police & Fire only)	8.78	0.90	10	4
<b>Total score</b>			90	63
<b>Grade</b>			A	D

\*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

