

COMMUNITIES IN CRISIS

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

Centralia

2019 Grade: F

In 2003, Centralia’s police, fire and municipal pension funds already faced a shortfall of **\$10.1 million**. That meant every Centralia household, on average, was on the hook for **\$1,733** in future taxes just to eliminate that shortfall.

Centralia 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	\$0.89 million	\$1.88 million	Up 2.1X
Share of city general budget for pensions	13.0%	19.5%	Up 1.5X

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

By 2019, the shortfall in Centralia’s police, fire and municipal pension funds totaled **\$29.3 million**. That means each Centralia household, on average, is now on the hook for **\$5,378** in debt.

Everyone loses under Centralia’s pension crisis:



Taxpayers are tapped out

Centralia residents are paying more and more into a broken system. City taxpayers in 2019 contributed 2.1 times more to pensions than in 2003, yet city debts are 2.9 times larger.



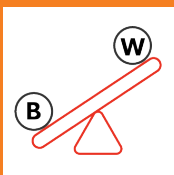
Pension costs are devouring the city’s budget

Centralia pension contributions have grown to consume 19.5% of the city’s budget, up from 13.0% in 2003. That’s crowded out spending on public safety, roads and other core services.



Centralia worker retirement security is collapsing

The health of Centralia’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 70.1% of the money they needed. By 2019, that had dropped to just 50.9%.



Centralia’s crisis will only get worse

Centralia has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 0.87 active workers for every pensioner. By 2019, there were 0.58 active workers per pensioner.

2019 GRADE



2003 GRADE



Centralia 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).*

Centralia received an "F" grade in 2019. The city's total score dropped from 67 in 2003 to 42 in 2019, a decline of 25 points.

Centralia 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

Centralia Key Facts		
City demographics	2000	2019
Population	14,136	12,356
Households	5,807	5,439
Median household income	\$31,905	\$37,675
City budget	2003	2019
General revenues	\$6,845,081	\$9,613,020
Total revenues	\$19,268,001	\$25,730,654
Total property taxes	\$3,189,059	\$3,905,649
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$33,613,069	\$59,530,271
Total pension assets	\$23,547,002	\$30,279,992
Funded ratio	70.1%	50.9%
Total pension shortfall	\$10,066,067	\$29,250,279
Per household	\$1,733	\$5,378
Active public safety workers	47	38
Public safety pension beneficiaries	54	65
City pension contributions	2003	2019
City contributions	\$889,035	\$1,875,161
Per household	\$153	\$345
Percentage of city's general budget	13.0%	19.5%
Employees' contributions	\$315,458	\$389,206

Centralia Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	48.1%	39.9%	4	3
2. Firefighter pension funded ratio	72.2%	57.4%	7	5
3. Municipal (IMRF) pension funded ratio	97.1%	65.5%	9	6
4. City pension debts per household as a percentage of median household income	5.4%	14.3%	7	2
5. City contributions per household as a percentage of median household income	0.48%	0.92%	8	6
6. City contributions as a percentage of total budget	4.6%	7.3%	7	4
7. Ratio of city contributions to employee contributions	2.82	4.82	6	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-0.9%	-21.9%	9	5
9. Asset-to-payout ratio (Police & Fire only)	11.2	9.6	6	5
10. Worker-to-beneficiary ratio (Police & Fire only)	0.87	0.58	4	2
Total score			67	42
Grade			D	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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