

COMMUNITIES IN CRISIS

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

Crystal Lake

2019 Grade: D

In 2003, Crystal Lake’s police, fire and municipal pension funds already faced a shortfall of **\$13.3 million**. That meant every Crystal Lake household, on average, was on the hook for **\$1,033** in future taxes just to eliminate that shortfall.

Crystal Lake 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	\$1.72 million	\$5.56 million	Up 3.2X
Share of city general budget for pensions	9.8%	16.8%	Up 1.7X

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

By 2019, the shortfall in Crystal Lake’s police, fire and municipal pension funds totaled **\$65.1 million**. That means each Crystal Lake household, on average, is now on the hook for **\$4,439** in debt.

Everyone loses under Crystal Lake’s pension crisis:



Taxpayers are tapped out

Crystal Lake residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.2 times more to pensions than in 2003, yet city debts are 4.9 times larger.



Pension costs are devouring the city’s budget

Crystal Lake pension contributions have grown to consume 16.8% of the city’s budget, up from 9.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Crystal Lake worker retirement security is collapsing

The health of Crystal Lake’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 73.9% of the money they needed. By 2019, that had dropped to just 63.5%.



Crystal Lake’s crisis will only get worse

Crystal Lake has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 5.39 active workers for every pensioner. By 2019, there were 1.82 active workers per pensioner.

2019 GRADE



2003 GRADE



Crystal Lake 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).*

Crystal Lake received a “D” grade in 2019. The city’s total score dropped from 78 in 2003 to 66 in 2019, a decline of 12 points.

Crystal Lake was one of 64 cities to receive a “D” grade in 2019.

Crystal Lake Key Facts		
City demographics	2000	2019
Population	38,000	39,974
Households	12,900	14,661
Median household income	\$66,872	\$87,578
City budget	2003	2019
General revenues	\$17,628,882	\$33,071,671
Total revenues	\$35,257,041	\$77,951,346
Total property taxes	\$7,614,077	\$17,569,066
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$51,050,267	\$178,310,458
Total pension assets	\$37,719,049	\$113,230,799
Funded ratio	73.9%	63.5%
Total pension shortfall	\$13,331,218	\$65,079,659
Per household	\$1,033	\$4,439
Active public safety workers	97	131
Public safety pension beneficiaries	18	72
City pension contributions	2003	2019
City contributions	\$1,721,549	\$5,556,918
Per household	\$133	\$379
Percentage of city’s general budget	9.8%	16.8%
Employees’ contributions	\$852,085	\$1,749,068

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

Crystal Lake Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	58.4%	53.9%	5	5
2. Firefighter pension funded ratio	70.5%	67.0%	7	6
3. Municipal (IMRF) pension funded ratio	94.8%	76.1%	9	7
4. City pension debts per household as a percentage of median household income	1.5%	5.1%	9	7
5. City contributions per household as a percentage of median household income	0.20%	0.43%	8	8
6. City contributions as a percentage of total budget	4.9%	7.1%	7	4
7. Ratio of city contributions to employee contributions	2.02	3.18	7	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-19.9%	-12.0%	6	7
9. Asset-to-payout ratio (Police & Fire only)	27.3	17.3	10	8
10. Worker-to-beneficiary ratio (Police & Fire only)	5.39	1.82	10	9
Total score			78	66
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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