

COMMUNITIES IN CRISIS

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

Dixon

2019 Grade: F

In 2003, Dixon’s police, fire and municipal pension funds already faced a shortfall of **\$3.7 million**. That meant every Dixon household, on average, was on the hook for **\$654** in future taxes just to eliminate that shortfall.

Dixon 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	\$0.44 million	\$1.82 million	Up 4.1X
Share of city general budget for pensions	9.8%	17.8%	Up 1.8X

Despite the ramp-up in city payments over those 16 years, Dixon’s pension debts didn’t decrease. Instead, they jumped by 6.5 times!

By 2019, the shortfall in Dixon’s police, fire and municipal pension funds totaled **\$24.2 million**. That means each Dixon household, on average, is now on the hook for **\$4,250** in debt.

Everyone loses under Dixon’s pension crisis:



Taxpayers are tapped out

Dixon residents are paying more and more into a broken system. City taxpayers in 2019 contributed 4.1 times more to pensions than in 2003, yet city debts are 6.5 times larger.



Pension costs are devouring the city’s budget

Dixon pension contributions have grown to consume 17.8% of the city’s budget, up from 9.8% in 2003. That’s crowded out spending on public safety, roads and other core services.



Dixon worker retirement security is collapsing

The health of Dixon’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 85.9% of the money they needed. By 2019, that had dropped to just 57.2%.



Dixon’s crisis will only get worse

Dixon has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.02 active workers for every pensioner. By 2019, there were 0.75 active workers per pensioner.

2019 GRADE

F

2003 GRADE

C

Dixon 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).*

Dixon 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.

Dixon 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

Dixon Key Facts		
City demographics	2000	2019
Population	15,941	15,433
Households	5,663	5,699
Median household income	\$35,720	\$47,171
City budget	2003	2019
General revenues	\$4,521,489	\$10,273,281
Total revenues	\$16,746,601	\$23,018,604
Total property taxes	\$2,598,856	\$2,952,695
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$26,192,161	\$56,558,197
Total pension assets	\$22,490,959	\$32,338,934
Funded ratio	85.9%	57.2%
Total pension shortfall	\$3,701,202	\$24,219,263
Per household	\$654	\$4,250
Active public safety workers	42	47
Public safety pension beneficiaries	41	63
City pension contributions	2003	2019
City contributions	\$443,003	\$1,824,518
Per household	\$78	\$320
Percentage of city's general budget	9.8%	17.8%
Employees' contributions	\$257,950	\$512,375

Dixon Score

Metric	2003	2019	2003	2019
1. Police pension funded ratio	82.6%	56.0%	8	5
2. Firefighter pension funded ratio	72.3%	43.6%	7	4
3. Municipal (IMRF) pension funded ratio	111.3%	102.8%	10	10
4. City pension debts per household as a percentage of median household income	1.8%	9.0%	9	6
5. City contributions per household as a percentage of median household income	0.22%	0.68%	8	7
6. City contributions as a percentage of total budget	2.6%	7.9%	9	4
7. Ratio of city contributions to employee contributions	1.72	3.56	8	5
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-10.1%	-4.1%	7	9
9. Asset-to-payout ratio (Police & Fire only)	16.1	10.5	8	6
10. Worker-to-beneficiary ratio (Police & Fire only)	1.02	0.75	5	3

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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