

COMMUNITIES IN CRISIS

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

East Peoria

2019 Grade: D

In 2003, East Peoria’s police, fire and municipal pension funds already faced a shortfall of **\$12.5 million**. That meant every East Peoria household, on average, was on the hook for **\$1,303** in future taxes just to eliminate that shortfall.

East Peoria 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	\$1.45 million	\$4.77 million	Up 3.3X
Share of city general budget for pensions	13.4%	19.1%	Up 1.4X

Despite the ramp-up in city payments over those 16 years, East Peoria’s pension debts didn’t decrease. Instead, they jumped by 4.0 times!

By 2019, the shortfall in East Peoria’s police, fire and municipal pension funds totaled **\$49.4 million**. That means each East Peoria household, on average, is now on the hook for **\$4,988** in debt.

Everyone loses under East Peoria’s pension crisis:



Taxpayers are tapped out

East Peoria residents are paying more and more into a broken system. City taxpayers in 2019 contributed 3.3 times more to pensions than in 2003, yet city debts are 4.0 times larger.



Pension costs are devouring the city’s budget

East Peoria pension contributions have grown to consume 19.1% of the city’s budget, up from 13.4% in 2003. That’s crowded out spending on public safety, roads and other core services.



East Peoria worker retirement security is collapsing

The health of East Peoria’s local pension plans have worsened despite those increased taxpayer contributions. In 2003, the plans had 74.0% of the money they needed. By 2019, that had dropped to just 57.6%.



East Peoria’s crisis will only get worse

East Peoria has fewer active government workers available to help pay for a growing number of retirees. In 2003, there were 1.68 active workers for every pensioner. By 2019, there were 1.18 active workers per pensioner.

2019 GRADE

D

2003 GRADE

C

East Peoria 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).*

East Peoria received a "D" grade in 2019. The city's total score dropped from 75 in 2003 to 60 in 2019, a decline of 15 points.

East Peoria was one of 64 cities to receive a "D" 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

East Peoria Key Facts		
City demographics	2000	2019
Population	22,638	22,851
Households	9,584	9,900
Median household income	\$41,538	\$58,984
City budget	2003	2019
General revenues	\$10,840,699	\$25,004,434
Total revenues	\$37,958,394	\$72,491,544
Total property taxes	\$4,892,497	\$11,459,342
Pension health (police, fire & IMRF)	2003	2019
Total accrued liabilities (benefits owed)	\$48,136,896	\$116,460,587
Total pension assets	\$35,645,278	\$67,081,012
Funded ratio	74.0%	57.6%
Total pension shortfall	\$12,491,618	\$49,379,575
Per household	\$1,303	\$4,988
Active public safety workers	74	93
Public safety pension beneficiaries	44	79
City pension contributions	2003	2019
City contributions	\$1,447,608	\$4,767,772
Per household	\$151	\$482
Percentage of city's general budget	13.4%	19.1%
Employees' contributions	\$569,945	\$1,006,102

East Peoria Score				
Metric	2003	2019	2003	2019
1. Police pension funded ratio	69.9%	54.4%	6	5
2. Firefighter pension funded ratio	59.1%	55.7%	5	5
3. Municipal (IMRF) pension funded ratio	100.4%	77.0%	10	7
4. City pension debts per household as a percentage of median household income	3.1%	8.5%	8	6
5. City contributions per household as a percentage of median household income	0.36%	0.82%	8	6
6. City contributions as a percentage of total budget	3.8%	6.6%	8	5
7. Ratio of city contributions to employee contributions	2.54	4.74	6	4
8. Percentage surplus/shortfall in actuarially-required city contribution (Police & Fire only)	-8.8%	15.4%	8	10
9. Asset-to-payout ratio (Police & Fire only)	16.6	13.7	8	7
10. Worker-to-beneficiary ratio (Police & Fire only)	1.68	1.18	8	5
Total score			75	60
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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